

**Records of the  
Louisiana Constitutional  
Convention of 1973:  
Committee Documents**

**VOLUME XII**

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LOUISIANA CONSTITUTIONAL CONVENTION RECORDS COMMISSION









# Records of the Louisiana Constitutional Convention of 1973: Committee Documents

VOLUME TWELVE

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by

LOUISIANA CONSTITUTIONAL CONVENTION RECORDS COMMISSION

Moise W. Dennery, Chairman  
A. Edward Hardin, Coordinator of Research

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LOUISIANA CONSTITUTIONAL CONVENTION RECORDS COMMISSION



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**COMMITTEE  
ON LOCAL AND  
PAROCHIAL GOVERNMENT**



# I. Minutes

## A. Full Committee Minutes

### MINUTES OF THE COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT

The Committee on Local and Parochial Government met in organizational session on January 30, 1973. Temporary Chairman Delegate D'Gerolamo called the meeting to order and stated that the first order of business was that of electing officers.

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

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

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

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

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

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

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

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

### MINUTES

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

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

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

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

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

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

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

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

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

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

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

Public officials will be allowed to present their views first. An effort will be made to keep each presentation within a time limit in order that each person appearing may be heard by the committee. This time limit will depend on the number of people requesting to

be heard. A suggestion was made that the people requesting to be heard also prepare a written presentation in the event it was not possible for all their views to be presented orally.

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

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

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

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

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

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

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

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

Mr. L. G. Morgan, representing the Louisiana AFL-CIO, stated that his organization envisioned being heard primarily after July, after the initial document was drafted. He stated that his organization definitely had suggestions to offer. The chairman advised that the method of operation will be dictated by the convention as a whole, and the committee would welcome any drafts or proposals as soon as

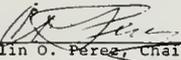
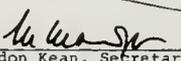
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possible. Mr. Morgan also inquired as to how he could obtain notice of the meetings, and he was informed that such requests should be addressed to the Secretary of the convention.

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

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

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

  
Chalin O. Perez, Chairman  
  
Gordon Kean, Secretary

#### NOTES

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

#### MINUTES

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

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

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

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

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

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

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

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

The chairman welcomed those who had indicated a desire to appear before the committee as well as the general public, and introduced the Honorable Moon Landrieu, Mayor of the City of New Orleans. Mayor Landrieu stated that it was his hope that the committee "draw a local government article that will grant maximum home rule, that will allow maximum flexibility to meet changing times, that will fix responsibility clearly, and that will insure responsiveness of governmental agencies to the people". The Mayor expanded upon these statements and voiced additional views and opinions on various subjects

as noted in a copy of his remarks which is attached hereto and made a part of these minutes. Mayor Landrieu stated that it is extremely important for the constitution to provide protection for local government, and that he would like to see much of the present constitutional material made a matter of legislation. It was also the Mayor's opinion that the city have the right to establish the wages of city workers. When asked if he envisioned the City of New Orleans to take charge of the port of New Orleans, the Mayor replied that he was recommending the reverse. He stated that the Sewerage and Water Board should be taken out of the constitution and placed in statutory material. Mayor Landrieu also stated that he will submit his personal recommendations concerning individual boards in approximately one month.

Messrs. Harry Kelleher and Chester Reith, representatives of the Board of Liquidation of City Debt of New Orleans, were introduced. Mr. Kelleher stated that some of the present

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

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

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1. "Retention of the Sewerage and Water Board as an agency independent of city government but working in close cooperation with it in providing the city with essential sewerage, water and drainage services.
2. Establishment of a composition for the Board similar to what is now in effect, with membership including citizen taxpayers appointed by the Mayor as President of the Board, City Councilmen and members of the Board of Liquidation of City Debt.

3. Clarify the presently ambiguous language of the Constitution which gives the Sewerage and Water Board the right to fix water and sewerage rates but requires City Council and Board of Liquidation approval, by clearly investing in the Sewerage and Water Board along the right, after public hearings, to fix rates subject to approval of the Board of Liquidation of City Debt, but not that of the City Council.
4. Authorize the Sewerage and Water Board to issue revenue bonds backed by water and sewerage charges for capital improvements to the water and sewerage systems, respectively. Further, the Board of Liquidation of City Debt should be directed to monitor all bond funds so as to assure that all bond covenants are kept and to perform all necessary steps to issue and sell these bonds in the open market.
5. Authorize the Sewerage and Water Board to go only to voters of New Orleans, and not the electorate of the entire state, for approval of increases in the ad valorem tax that may be needed for the drainage system and requiring the Sewerage and Water Board to obtain approval of the New Orleans electorate for drainage system bonds it proposes to issue. All issuance of bonds and the handling of revenues for bond service shall be monitored by the Board of Liquidation of City Debt."

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

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

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

Mr. L. F. Peters, representing the Professional Fire Fighters, was introduced. He stated that his organization has failed to pass legislation that would enable them to have the benefit of collective bargaining; however, they do have the benefit of going to the Louisiana Legislature and having it act as an arbitrator in matters of pay and working conditions. He also stated that his organization does not want the right to strike, but does want some assurance that they are going to have the right to negotiate with people and that these people will listen. It was Mr. Peters' opinion that if the legislature could not pass any laws relating to pay and working conditions of local employees, or if the laws they have already passed are declared unconstitutional, the cities could decide for example, that a retirement system was unnecessary. He urged that the committee seriously consider home rule proposals that would permit the

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fire fighters and police officers to turn to the legislature as a "court of last resort". When asked if he was in favor of home rule, Mr. Peters stated that the legislature should be able to intervene in the matter of wages and working conditions. Mr. Peters was also asked if he thought an appropriate provision stating that if the legislature increases salaries on the local level that the legislature should provide the funding to pay for this salary increase, and he stated that the firefighters would not want to depend entirely upon state funds for increases in their salaries. It was suggested that if Mr. Peters has any alternate approach to the problems, that the Committee would be happy to have these further suggestions in writing.

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

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

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

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

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

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

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

The chairman introduced Mr. Luke A. Petrovich, Commissioner of Public Safety, representing Plaquemines Parish. Mr.

Petrovich stated that he wanted to endorse the approach to local government included in the Louisiana Law Institute draft. He also stated that Plaquemine's Parish has a commission

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council form of government that has been in existence since 1961, and has effectively operated under this system.

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

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

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

Present:	Chalin O. Perez I. Jackson Burson Joseph Conino Johnny Jackson Terry Reeves R. Gordon Kean Harvey Cannon, Jr. Ethan Chatelain Edward D'Gerolamo H. M. Fowler Joseph Giarrusso, Sr. George Dewey Hayes Walter Lanier, Jr. V. C. Shannon J. E. Stephenson Dorothy Mae Taylor Joseph Toomy Dr. Frank Ullo Mary Zervigon	Absent:	Tom Colten
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Mr. Perez welcomed all guests and introduced Mr. Wayne Collier, Executive Director of the Vieux Carre Commission in New Orleans. Mr. Collier stated the purpose of his appearance was to try to share with the committee some

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information about his agency, its purpose and its goals. The Vieux Carre Commission is a constitutional agency and because of the unique character of the Vieux Carre, the work of the Commission is not only important to the city and the state, but the nation as a whole. Mr. Collier stated that, in his opinion, taking the Vieux Carre Commission out of the constitution would impair its effectiveness.

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

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

Mr. Lyons elaborated on these recommendations in his presentation, a copy of which is attached and made a part of these

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

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

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

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

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

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

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

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

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

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

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

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

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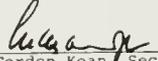
Mr. Conino offered a motion that definite dates for the April meetings be established for the ninth and tenth and the twenty-seventh and twenty-eighth. Without objection, the motion was adopted.

It was suggested that in order for the committee to move forward in its work, that a subcommittee be appointed to begin drafting of an article on local and parochial government. Following discussion, Mr. D'Gerolamo moved that the chairman be authorized to appoint a subcommittee to begin drafting an article on local and parochial government. Without objection, the motion was adopted.

The chairman then appointed the following members to serve on the subcommittee: I. Jackson Burson, Chairman  
Edward J. D'Gerolamo  
Johnny Jackson, Jr.  
R. Gordon Kean  
Walter I. Lanier, Jr.  
Mary Zervigon

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

  
Chalin O. Perez, Chairman

  
R. Gordon Kean, Secretary

REMARKS  
BY MAYOR MOON LANDRIEU  
to the  
COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT  
CONSTITUTION CONVENTION '73

In the General Election of November 1970, February 1972 and November 1972 a total of 95 amendments were submitted to the people of Louisiana. 2B, or almost one third, were amendments dealing with the City of New Orleans or other governmental units operating wholly in the Parish of Orleans.

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

You may, in addition, study 33 provisions listed in Exhibit B. Of these 20, or almost two thirds, refer to New Orleans or Orleans Parish.

Omitting those provisions which refer to the City in outlining districts for Senators, House members, Public Service Commission members and Supreme Court members, there are 17 other sections of the Constitution referring to New Orleans or Orleans Parish.

As you can see, New Orleans, its institutions, such as Tulane University, its agencies, such as the Board of Liquidation, City Debt, and many other aspects of its operations, are very much a part of the Constitution of 1921. This committee does not have the time nor the patience to hear me describe and dispose of each of these Constitutional provisions. What is more, I must confess that I would have to do some study on many of them to be able to tell you exactly how they affect the City. Nor have I come to you today with a model local government article or the perfect home rule provision. Because of the limited time I have had to prepare these remarks, and the limited time you have to hear them, I will speak to you in very general terms.

There may have been some reason to treat New Orleans as a peculiar animal between the turn of the century and World War II. A far greater proportion of the population of the state lived in rural areas. There were no suburbs. Transportation was poor and mass communication as we know it today did not exist. Many country legislators seldom visited the city and felt a great suspicion of everything associated with it. New Orleans was the place of sin and machine politics. Their fears may not have been entirely misplaced.

New Orleans was indeed a very distinctive place within the state, and perhaps some special laws were needed. A Civil Service system, for example, may be very necessary in a city with a large number of full time employees. If Civil Service for large cities is a valid concept it should be required for every political subdivision over 350,000 population, not only for New Orleans. Is there any

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reason for the registrar in New Orleans to be required by the Constitution to purge the rolls every two years, when the registrars of 63 other parishes conduct a purge every four years? Why must a citizen of Orleans Parish apply for a homestead exemption, when citizens of every other parish receive theirs automatically?

Things have changed. The literacy level of the citizens of New Orleans is much higher than it was in 1921. We now have PAR, BGR, League of Women Voters and many other groups which compile and publicize information on candidates and issues. Through television a voter can get a feeling about the personality of a candidate and of about his sincerity. Under the fairness doctrine, television stations are required to give all points of view on an issue.

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

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

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

Let me expand upon each of these. First, granting of maximum home rule would allow decisions affecting New Orleans to be made by the voters of New Orleans. Please consider seriously granting to local governments all powers not specifically denied them. Of course, there must be safeguards. The City Charter requirement that an ordinance lie over at least one week before final consideration by the City Council insures that there will be public debate before issues are decided in the city. And of course a Charter

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amendment would be needed to change the structure of the government of New Orleans. You may also want to specify that any bond issues and tax raises must be submitted to the people by parish and municipal governing bodies. You may want to set limits on bonded indebtedness. You may want to reserve to the state some functions which are clearly regional in character or state-wide in impact, but I hope that there will be very few such reservations. For example, mosquito abatement is a regional function; I hope you provide a means by which several parishes could agree to establish a mosquito abatement district without consent of the legislature and entirely without the consent of the voters in the rest of the state.

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

Governmental structures must be delineated so that responsibility can be fixed clearly. Separation of state functions from the functions of local government must be as simple and logical as possible. Here you may want to make some changes. In 1920 the population of the City of New Orleans was 387,219. Jefferson had 21,563 residents

and St. Bernard 4,968. For all intents and purposes, all industry and commerce in the area were within Orleans Parish. At that time the Dock Board and the Public Belt operated within the Parish and there was no need to structure them to meet regional needs. By 1970 the population in Jefferson and St. Bernard Parishes had increased more than tenfold. It is clear that to meet today's needs, these agencies must be allowed to restructure themselves on a regional basis.

No government body or subdivision of the state should be allowed to increase the expenses of another without providing funds sufficient to meet the new expenses. Illogical situations, in which one governmental unit must make and administer policy while another provides the financial resources, must end. An example of this is Orleans Parish Prison. The Orleans Parish Criminal Sheriff, who must administer the facility, has no financial resources. The Mayor and City Council of the City of New Orleans must provide funding for the Prison but have no voice in policy. We must establish a governmental framework that allows the voters to see clearly where the buck stops.

And you must make every attempt to insure the responsiveness of governmental agencies to the people. There is a middle ground between leaving every agency of government open to destruction or crippling on the whimsy of a few elected officials, and so isolating an agency from the public will that it falls years behind the times in its methods of operation, or perhaps serves no public purpose at all.

And, finally, let me address myself to the fear that the

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word "flexibility" is a cover word for abolishing every board and commission in the state. If you omit an agency from the draft of the new constitution, is that agency automatically abolished? Not necessarily. An agency may be abolished if you wish. But there are other possibilities. The legislature may insert the agency into the statutes. The City Council may submit to the people a proposal to insert the agency into the City Charter. Or the Council may establish the agency by ordinance. If the agency has been run by a governing board, this can continue. The Department of City Welfare, the City Planning Commission, the New Orleans Public Library and the Parkway & Parks Commission are all run by such boards. These boards do hiring and firing, approve expenditures and set policy.

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

If you are extremely worried about finances of the agency involved, the City Council could dedicate revenues to the agency, and isolate its finances by way of a revolving fund. I would hope that this would not happen, but at least it would be under the control of the citizens of New Orleans, and could be changed by them if necessary, without submitting it to voters of the entire state.

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

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

And good luck to you!



MOON (ANDRIEL, President)  
ULISSE M. NOLAN, President Pro-Tem

## Sewerage & Water Board of New Orleans

CITY HALL - CIVIC CENTER  
NEW ORLEANS, LA. 70165 - 529-4311

STUART H. BREMER, JR.  
Secretary, Executive Committee

March 9, 1973

Honorable Chairman and Members  
Committee on Local & Parochial Government  
Louisiana Constitutional Convention  
Capital Building  
Baton Rouge, Louisiana

Dear Committee Members;

My name is Ulisse M. Nolan. I am submitting this statement as a citizen taxpayer of the City of New Orleans and a member of the Sewerage and Water Board of New Orleans, having been appointed to serve the unfulfilled portion of a full term and now serving under a reappointment to a full term. I was recently reelected to serve a second two year term as President Pro Tem of the Board.

The City Council of New Orleans, in a resolution adopted on February 22, 1973, stated its intention to ask the Louisiana Constitutional Convention to abolish the Sewerage and Water Board and place its functions under the jurisdiction of the City Council as another department of city government.

I wish to record my deep concern and strong opposition to that proposal by the City Council because in my considered judgment, its effectuation would be a retrogressive step substantially contrary to the best interests of the people of New Orleans.

In due course, I shall attempt to justify this conclusion, which is based on an evaluation of the historic evolution of the Sewerage and Water Board and its functions, responsibilities, accomplishments and performance record. First, however, permit me to give you an outline of the structure of the Board.

The 13-member Sewerage and Water Board is composed of the Mayor of New Orleans, who serves as its President; the two at-large members of the City Council, and a district councilman selected by the Council; seven New Orleans citizen taxpayers appointed by the Mayor to represent each of the city's five councilmanic districts and the two Congressional Districts lying within the City, namely the First and Second Congressional Districts and two members of the Board of Liquidation, City Debt, appointed by the Board of Liquidation, City Debt.

Members of the Board: ELWOOD F. CAHILL - RUSSELL L. CUOCO - RENE A. CURRY - JOSEPH V. DURSA - CLARENCE O. DUPUY, JR. - MOON LANDRIEU - BEN H. McBETH - HARRY McCALL, JR. - ALDEN J. McDONALD, JR. - MRS. R. KING MILLING - JAMES A. MOREAU - OLISSE W. NOLAN - ROBERTAL WALKSLEY

"An Equal Opportunity Employer"

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The Sewerage and Water Board, a constitutional agency, operates three separate and distinct public utility systems for the benefit of the people of New Orleans. These are the sewerage, water and drainage systems, each of which is to operate as a financially self-sufficient function and independent of one another.

The Board also operates a fourth public utility. This is the electric generating and distribution system for the sewerage, water and drainage systems. Operating, maintenance, and construction costs for the power system are pro rated among the three primary utilities.

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

Costs of operating and maintaining the sewerage system and providing for improvements to the system are recovered by fair and equitable sewerage service charges levied against those who use the system and thereby benefit from it.

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

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

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

This, basically, is a very good financing system inasmuch as actual costs are recovered, in the case of the sewerage and water utilities, from users to the actual extent of their benefits; and, in the case of the drainage system from ad valorem taxation on the principal beneficiaries of the system.

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

In its February 22nd resolution, the City Council stated that the Sewerage and Water Board "is a separate constitutional agency, occupying a unique and preferential status in which it is not obliged to compete for public funds with other vital city departments such as police, fire, health, sanitation, etc. at the time

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of regularly scheduled budget hearings for this purpose."

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

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

Does the City Council believe that the Sewerage and Water Board can better serve the people of New Orleans as a city department by operating with a pro rata share of revenues accruing to the City of New Orleans, when those revenues are not now adequate to meet the needs of most city departments?

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

The City Council's proposal to abolish the Sewerage and Water Board stems from its involvement in the setting of new water and sewerage rates, which it has chosen to oppose vociferously apparently because of political considerations despite the obvious need for rate adjustments and their inevitability.

Its proposal might have some justification if the Sewerage and Water Board had not lived up to its responsibilities to the people of New Orleans as defined in the state Constitution. The Board, however, is properly discharging its responsibilities and transferring its functions to one or more city departments would be a tragic step backward.

The fact is that New Orleans today has, solely because of the Sewerage and Water Board, an abundant supply of pure water for general use and fire protection, a soundly-engineered drainage system that has attracted world-wide attention and praise, and a sanitary sewerage system that protects the health of the community.

The fact is that for 178 years from the founding of the city in 1718 to the 1896-1903 period in which the Sewerage and Water Board was established, the city government demonstrated a total inability to cope with the needs of the city for water, sewerage and drainage. This ineffectiveness resulted in widespread disease,

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suffering, and discomfort and stifled the ability of the city to grow and prosper.

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

Throughout its existence, the Sewerage and Water Board has discharged its responsibilities to the people of this city with integrity and dignity and without a breath of scandal to mar its extensive accomplishments. Blessed with strong leadership, it has been a non-political agency that has never been a hot bed of political patronage even before the days of civil service. Because it is composed of people, errors of judgment, of course, have occurred, but these have been rectified when they became apparent.

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

The independence of the Sewerage and Water Board from complete reliance on City funds has been fixed in the Constitution from the inception of the Board. This provision was included because the framers of the enabling Sewerage and Water Board legislation recognized that the city government in 178 years of haphazard effort had been unable to provide even a semblance of adequate water, sewerage and drainage services for the community.

This concept was additionally recognized by legislators in 1966, and concurred in by the voters of Louisiana when they approved the three constitutional amendments which reorganized the financial structure of the Sewerage and Water Board by making the sewerage, water and drainage systems self-sufficient. The legislation specifically stated that the intent was to relieve the city of the onerous burden of providing funds for Sewerage and Water Board operations.

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

The drainage system is critically and dangerously underfinanced, one important reason being that the Sewerage and Water Board since 1966 has been paying operating and maintenance costs formerly borne

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by the City and now amounting to almost \$3 million a year although it has not been the beneficiary of any additional drainage revenue. Attempts by the Sewerage and Water Board to increase the existing 3 mills allocated to drainage in recent constitutional amendment elections failed due to the many events which were happening at that time and which caused the voters of the State of Louisiana to reject many other worthy amendments.

How can the City Council, if the Board becomes a city department, hope to provide the drainage system with substantial additional funds needed to maintain its integrity if the City is not now able even to pay for drainage operation/maintenance expenses, much less for the extension and improvement of the system and replacement of worn-out or obsolescent equipment?

If Sewerage and Water Board funds, which even the City Council admits are inadequate, are transferred to the City, would it be prudent to vest in the City Council the authority to allocate a portion of these funds that are now dedicated to vital sewerage, water and drainage operations to other city departments should the Council determine it politically expedient to do so?

The City Council, apparently unable or unwilling to understand the Constitution-imposed Sewerage and Water Board funding system, blocked imposition of increased sewerage service charges that were proposed by the Board in 1971 and again in 1972 in order that a massive sewage treatment program that would require more than \$50 million of construction and more than \$3 million annually for operating purposes could be financed.

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

These sanctions were lifted late in 1972 after the City Council devised a scheme whereby the City of New Orleans would contribute \$2,360,000 to the Sewerage and Water Board to make possible a start



Dear Mr. Turner:

The local and parochial employees of the State of Louisiana are in desperate need of your understanding of our problems. This letter is an attempt to explain the fears of the Fire Fighters of New Orleans in particular. Generally, all public employees share those same fears.

We are deeply concerned with the possible impact on public employees of the enactment of "absolute" home rule. Local autonomy should be granted to local governments, but not without some limitations. We must protect the wish of the Legislature to provide minimum protection for public employees. Otherwise, we would have absolutely no avenue of appeal to anyone. We would be at the complete mercy of a small group of local officials.

To whom could we appeal for protection against unfair labor practices? The United States Constitution provides minimum wage laws, and many other federal laws for the protection of working people. Unfortunately, none of these federal laws pertain to, or protect, public employees. The Congress left this responsibility in the hands of the State Legislatures. Most States provide minimum protection for their public employees, such as Civil Service Law, Labor Boards, Public Sector Unions, Minimum Wage and Benefits, and particularly broad protections against unfair labor practices. Do you really believe that public employees in Louisiana have no less need for legislative protection than do public employees in other States?

In some States, where legislative protection does not exist, some Fire Fighters still work only four hours per week for less than three hundred dollars per month. The Louisiana Legislature has provided that Fire Fighters in this State cannot be forced to work more than eight hours per week for a minimum wage of four hundred dollars per month. Is this unfair?

Under the guise of "absolute" home rule, local officials could simply repeal all minimum wage laws, maximum hours laws, minimum retirement benefits, and what little other protection the Legislature has provided for the public working people. Retirement benefits for retired members, dependent widows, and dependent children of deceased Fire Fighters and Policemen could be manipulated at the will of local officials. Unquestionably, had local officials been capable of fair and just home rule over their employees in the past, there would have been no need for the Legislature to provide minimum protection.

If "absolute" home rule ever comes to pass, we'll all be in the same predicament that black people and other minorities were in under the guise of "states rights." There will be no rights of appeal to the unjust policies of local governmental officials.

We are constituents of legislators, just as we are constituents of City officials. Our legislators are our voice in the State government. If that voice is silenced in our behalf, we would be deprived of our right to representative government. We would be denied the incentive to participate in the political process. We do not presently enjoy the same rights and protection as working people outside public employment. Don't take away the only avenue we have for the redress of our legitimate grievances.

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

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

Sincerely,

*Clarence J. Percy*  
Clarence J. Percy, Pres.  
New Orleans Fire Fighters Assn.

CJP/ib

cc: Ladies Auxiliary, N. O. Fire Fighter Assn.  
Veterans Fire Fighters Assn. of N.O.  
Jefferson Parish Fire Fighters Assn.  
St. Bernard Fire Fighters Assn.  
Greater New Orleans AFL-CIO  
Louisiana AFL-CIO  
Professional Fire Fighters of Louisiana  
Louisiana State Firemen's Assn.  
Patrolman's Assn. of New Orleans  
Fraternal Order of Police

THE LEAGUE OF WOMEN VOTERS OF NEW ORLEANS  
1636 TOLEDO STREET, SUITE 301  
NEW ORLEANS, LOUISIANA 70115 895-2062

MARCH, 1973

COMPILATION OF SUPPORT POSITIONS FOR A NEW STATE CONSTITUTION

In the 1940's, the League of Women Voters of New Orleans was formed for the pur-

poses of study, community education and action for good government. The League is a nonpartisan group seeking to take action on local and state governmental issues after studying each issue in depth. Action is taken after reaching consensus on local issues by its 650 members - (on state issues by the 8 local Leagues throughout the State of Louisiana.)

The members of the New Orleans League of Women Voters believe:

A Good State Constitution:

1. Should be fundamental law, free from statutory material;
2. Should be written in clear and simple language;
3. Should provide for checks and balances among the 3 branches of government;
4. Should be reasonably easy to amend;
5. Should allow for majority rule with protection of the minority;
6. Should allow for intergovernmental cooperation.

The League position for a model constitution remains the basic tool for judging any proposed constitution as a whole but specific positions are as follows:

Regarding New Orleans and Orleans Parish:

1.) Home Rule [Art. 14, Sec. 22 as amended Acts 1950, No. 5517]

Because the City of New Orleans and Orleans Parish were given common boundaries in the 19th century, there exist to this day numerous elected officials of the parish, required by the state constitution, over which the elected city government has virtually no control. Among these are 2 sheriffs, 7 assessors, Recorder of Mortgages, Registrar of Conveyances, Tax Collector and Coroner. Additionally there are required by the present constitution a Levee Board, Sewerage and Water Board and other boards and commissions which are not within the supervision of the city government, although they perform local functions and are supported by local taxes. (Note: the Dock Board functions in multiple parishes.) Therefore, while the state allowed New Orleans to adopt a "home-rule" charter, the constitution required the continuation of enough agencies and officials to insure that any local government elected would not have sufficient power to run the city.

The League of Women Voters of New Orleans proposes as basic and fundamental a Home Rule revision that would:

- a. Guarantee to New Orleans the right to manage its own affairs, without state constitutional or legislative interference.
- b. Further, the League will support any constitutional changes that allow greater centralization of city services now under state control.

IF A HOME RULE PROVISION SUCH AS OUTLINED ABOVE IS ADOPTED, THE FOLLOWING POSITIONS WILL BE STRICTLY WITHIN THE DOMAIN OF THE CITY GOVERNMENT. HOWEVER, IF SUCH A PROVISION IS NOT INCLUDED IN THE NEW CONSTITUTION, IT WILL BE IMPORTANT TO KNOW THE LEAGUE OF WOMEN VOTERS OF NEW ORLEANS' CONSENSUS POSITIONS ON THE FOLLOWING ITEMS:

2.) Increased Sources of Revenue for the City. LWV of N.O. supports:

THE LEAGUE OF WOMEN VOTERS OF NEW ORLEANS SUPPORT POSITIONS, STATE CONSTITUTION  
PAGE 2

- a. Enforcement of law providing for equalization of property tax assessments. [Art. 10, Sec. 3-6, 12]
- b. Requirement of professional reappraisal of all property. [Art. 14, Sec. 20]
- c. Periodic publishing of the property tax rolls.
- d. Authority to impose a metropolitan income tax in preference to sales tax increases.
- e. Efficient assessment and collection of personal property tax on automobiles.

3.) Efficient Distribution of City Funds. LWV of N.O. believes the city should have:

- a. A performance budget.
- b. Actuarially sound police and firemen's pensions systems.

4.) Efficiency in Government Operation. There should be:

- a. Elimination of overlapping services to pinpoint responsibility and decrease cost. (For example, in New Orleans the following boards and commissions all deal separately with parks and Historic Sites: the Vieux Carre Commission [Art. 14, Sec. 22 A]; Upper Pontalba Commission [Art. 14, Sec. 31.4]; Audubon Park Commission, City Park Commission and to some extent the Levee Board.)
- b. Improved personnel practices and qualifications for department heads.

5.) Recreation. (Levee Board Art. 14, Sec. 2; La. Stadium and Exposition District Art. 14, Sec. 47). It is essential to have:

- a. The city government responsible for providing recreational facilities and programs for the public.
- b. Special efforts to provide more play areas in densely populated areas.
- c. Use of school facilities for recreational programs where needed.
- d. More swimming pools in the city.
- e. Coordination of agencies providing summer recreational programs.
- f. Effective channels of communication between the New Orleans Recreation Department and the public.

6.) Housing. (H8 1067 passed in 1972 amends and re-enacts Sec. 1453, title 37 of Louisiana statutes revised of 1950.) LWV of N.O. supports:

- a. Local option urban renewal projects that meet federal safeguards.
- b. A workable, enforceable and adequately financed housing code for the city.

7.) Orleans Parish Schools [Art. 12, Sec. 15, 16]. The system should include:

- a. A five member, nonpartisan Board.
- b. Waiving of residence requirement in selection of parish superintendent of education.
- c. Adequate counselling programs.
- d. Communication between school officials and parents through such means as parent teacher conferences.
- e. Explanation of study program and a booklet explaining school regulations.

8.) Collective Bargaining for Municipal Employees. [Art. 14, Sec. 15] LWV of N.O. members believe there should be:

- a. Constitutional protection for the merit or civil service system, but that such a system be regulated by statutes.

b. Local ordinances or executive orders setting forth a labor-management relations policy for city employees and establishing orderly procedure for administering the policy and dealing with disputes.

9.) Judicial Handling of Family Matters.

Juvenile Courts of Orleans /Art. 7, Sec. 96,977  
Judge of Juvenile Court /Art. 7, Sec. 127

League members believe our Juvenile Court System needs:

- a. Operating of the Youth Study Center by the City Welfare Department rather than the court and provision of full time probation staff to handle intake and release of children at all times, including weekends; enlargement as needed, provided maximum efficiency has been attained and only delinquent rather than neglected children detained.
- b. Emphasis on improving the qualifications and size of the probation staff.
- c. Provision by the city of adequate housing for the court itself, including proper temporary holding quarters for the children awaiting hearing.
- d. Reduction as feasible of the 5% alimony fee and permanent prohibition against use of any part of it for judicial salaries, plus full public reporting of the intake and expenditures of this fund and the adoption fees fund.
- e. Presentation by the court of performance-type budget based on actual needs regardless of the city's ability to pay.
- f. Hiring of qualified judicial administrator.
- g. Adequate use of judges and selection of an administrative judge from among them responsible for day to day matters and reduction of vacation period to one month.
- h. Implementation of due process rights for juveniles as defined by U.S. Supreme Court.
- i. Appointment of assistant District Attorneys to handle the hearings of delinquency cases with defense counsel, and follow-up on results of the new departure.
- j. A court observer project for delinquency hearing and procedures.
- k. Provision by the state of a new training school in the metro area designed to complement a coordinated state system.
- l. Non-discriminatory practices in relation to clients and personnel in the court and related institutions including Scotlandville.
- m. Intervention, contingent upon State Board permission, the Scotlandville situation to press for drastic improvement together with a better plan for integration within a coordinated state system.

Council for a New State Constitution

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

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

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

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

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED THAT BRIEF NOTIFICATION OF THE SCHEDULED MEETING OF FRIDAY, MARCH 9<sup>th</sup> 1973, AT 10:00 AS THE VERY FIRST ITEM ON THIS COMMITTEE'S AGENDA MAKES IT IMPOSSIBLE FOR MANY INTERESTED ORGANIZATIONS AND PEOPLE TO TESTIFY AND THEREFORE OFFER AS IN PUT VITAL TESTIMONY FOR CONSIDERATION, AND

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

LIST OF ORGANIZATIONS PRESENT AT 2/19/73 MEETING

COUNCIL ON A NEW STATE CONSTITUTION

- 1. IWO
- 2. League of Women Voters - Orleans
- 3. League of Women Voters - Jefferson
- 4. N.O. Coalition
- 5. Fisher Homes
- 6. Fisher Tenants Council
- 7. Orleans Audubon Society
- 8. Narrington Civic & Improvement Assoc.
- 9. Republican Party - N.O.
- 10. Metropolitan Crime Commission
- 11. NAACP
- 12. United Teachers of N.O.
- 13. ACLU
- 14. Chamber of Commerce
- 15. Lafitte Improvement Council
- 16. Junior League
- 17. Civic Council of N.O.
- 18. Innovative Education Committee
- 19. Lakeshore Property Owners' Assoc.
- 20. Citizens for Democratic Action
- 21. Orleans Parish Democratic Exec. Committee
- 22. Black Women's Caucus
- 23. Orleans Parish School Board
- 24. Goals to Grow
- 25. JAYCEES

- 26. Federation of Churches
- 27. Vieux Carre Property Owners' Assoc.
- 28. Broadmoor Improvement Assoc.
- 29. Council for Jewish Women
- 30. 9th Ward Voters League
- 31. CIA
- 32. Ecology Center
- 33. N.O.W.
- 34. N.O. Area Health Planning Council
- 35. La. Chapter, National Assoc. of Social Workers
- 36. Citizen Voter Education Assoc.
- 37. LSUNO Young Democrats
- 38. Greater N.O. Property Owners' Assoc.
- 39. La. Chaplain's Assoc.
- 40. Alliance for Good Government
- 41. French Quarter Residents' Assoc.
- 42. Esplanade Improvement Assoc.
- 43. Common Cause
- 44. YMBC
- 45. Catholic Human Relations Commission
- 46. Hollygrove Improvement Assoc.
- 47. CACTUS
- 48. Constitutional Legal Action Committee
- 49. LSUNO Alumni Assoc.

LOUISIANA MUNICIPAL ASSOCIATION

Suite 301 Jack Tar Capitol House Hotel • Phone 343-8071 • Baton Rouge, La. 70811

MARVIN L. LYONS  
EXECUTIVE DIRECTOR



Statement of

Mr. Marvin L. Lyons  
Executive Director

on behalf of the

LOUISIANA MUNICIPAL ASSOCIATION

on

Constitutional Revision and Local Governments

for the

Committee on Local and Parochial Affairs  
Louisiana Constitutional Convention, 1973

March 10, 1973



PUBLISHERS OF THE LOUISIANA MUNICIPAL REVIEW

Mr. Chairman and Members of this Distinguished Committee.

I am Marvin L. Lyons, Executive Director of the Louisiana Municipal Association.

I appreciate this opportunity to appear before you this morning to discuss the role of this Committee and its relationship to the municipal governments of our state. Before going into that, however, let me briefly identify for you the organization I represent.

The Louisiana Municipal Association is a non-profit corporation, representing 296 member municipalities. The purpose of the Association is that of assisting the municipalities of this state, large and small, their elected municipal officials and administrative staffs in their efforts to adequately cope with growing problems

of their communities. The Association maintains liaison with Federal and State agencies having jurisdiction over municipal affairs, with the Congress and with the State Legislature, and furnishes advice and counsel, where requested, to Louisiana municipalities on all aspects of municipal law and government.

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

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

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

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

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

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

Under the constitution of 1971, municipalities as well as the parishes are severely restricted in their capacity to raise revenues locally to meet local needs. For example, under Article XIV, Section 11 of the Constitution, the parishes are limited to a 4 mill ad valorem tax annually for general operating purposes; and under Article XIV, Section 12, municipalities generally are limited to 7 mills annually for general operating purposes, with larger municipalities having the right to levy additional 1 mill for police purposes.

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

the necessity of future amendment, while, at the same time, granting to the legislature the authority to establish restrictions and conditions, where appropriate.

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

There have been occasions where the legislature has, from time to time, added to the financial problems of the municipalities by imposing financial obligations on them without providing additional revenue with which to meet these obligations. One example is legislation which increases the minimum pay and provides other benefits to a specific group of municipal employees, without providing funds by which this may be done. The effect of such legislation is to impose not only an increased burden on limited municipal finances, but to create administrative problems which are bound to result, where one segment of municipal employees is singled

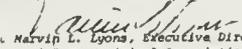
out for favored treatment at the expense of others. Such legislation constitutes a perfect example of legislative interference in the operation of clearly local municipal affairs without the legislature having to assume responsibility for adverse effect on local governmental administration.

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

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

This result has been largely achieved in the case of East Baton Rouge Parish and the City of Baton Rouge, under the provisions of Article XIV, Section 3(a) of the Constitution. This particular constitutional provision prohibits legislative action with regard to matters of "structure and organization" as distinguished from matters of substance, and these provisions, also contained in Article XIV, Section 3(c) relative to Jefferson Parish, have been interpreted by the Louisiana courts to prohibit the legislature from imposing minimum salary requirements upon the City of Baton Rouge or from enacting a separate firemen's pension system for firemen in the Parish of Jefferson. Under these circumstances, either the language of Article XIV, Section 3(a) should be broadened to cover all municipalities or an entirely new constitutional provision should be drafted which would insure that the Louisiana municipalities have full home rule authority to deal with matters of purely local concern, and that such matters are not subject to legislative encroachment even though the subject of general legislation.

Respectfully submitted,

  
Marvin L. Lyons, Executive Director  
Louisiana Municipal Association

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

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

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

The people of the City of Thibodaux are vitally concerned with and aware of the need for flexibility in local government so that we can meet the needs of a highly mobile and ever changing society. For years we have had a commission

form of government in the City of Thibodaux, which has increasingly created problems in enabling our municipal government to be fully responsive to the needs of our citizens. We have just recently adopted a home rule charter for the City of Thibodaux and its passage was approved by 66% of the votes cast. We have changed our government to a Mayor-Council form and we realize the need to have the necessary tools available to us in the future should the need to change again arise. In view of the fact that the City of Thibodaux has just adopted a home rule charter by an overwhelming vote of our citizens, you may correctly infer that we strongly favor continuing home rule provisions in our constitution.

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

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

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

I would now like to discuss with you several problems which I understand may or may not come under the jurisdiction of this committee. These are in the fields of local finance and taxation and city courts. If it is subsequently determined that another committee will handle these matters, then I respectfully request that my remarks concerning them be referred to the proper committee. With reference to local finance, I strongly feel that we should have a constitutional provision that requires that bond issues can be issued by local authorities and taxes increased or new taxes placed by local authorities ONLY AFTER THE APPROVAL OF A MAJORITY OF THE PERSONS VOTING AT A REFERENDUM CALLED TO AUTHORIZE SUCH ACTION. The concern of people today about increased taxation is such that I think that the chances of the passage of a new constitution would be jeopardized without such a provision being drafted.

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

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

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

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

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

Thank you very much.

#### MINUTES

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

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

Natural Resources Building, Mineral

Board Hearing Room, Baton Rouge, Louisiana

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

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

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

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

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

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

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

Mr. Jimmy Hays, executive director of the Police Jury Association, was introduced and stated that the police jury represented a local government whose responsibilities have increased proportionally without much public awareness of this fact. Police juries provide road and drainage maintenance, maintenance for parish courthouses, jails, library service, and many provide a food stamp program. He stated that when people move from the cities into the suburbs, they expect to receive the same municipal services as were provided by the municipality such as sewerage, drainage, and street lighting. Mr. Hays recommended that the four mill limitation for general operating purchases presently in the constitution, be removed and that a pro-

vision be included in the new constitution giving police juries authority to levy additional mills for this purpose, by referendum, as needed to provide adequate services. He commented that if police juries are given the flexibility they need, it will not only strengthen their capacity to respond to local problems, but it would lessen the number

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of bills submitted to the legislature.

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

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

Mr. Floyd LaBarre, first vice president of the Police Juror Association from Assumption Parish, was introduced

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and stated that he strongly recommends that the committee give police jurors "as broad a power as it dare consider." He also stated that the police jurors are not asking for unlimited ability to tax property owners to run local government, but the four mills allowed in the present constitution is not sufficient.

Mr. Ragan Sutton, secretary-treasurer of the Lincoln Parish Police Jury, was introduced and voiced his support of the Police Jury Association's position. He stated that

the police jurors are asking that the committee consider a "recommendation of home rule on a much broader scope."

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

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

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

The committee recessed at 12:00 for lunch, and reconvened at 1:30 p.m. to continue its business, and to

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hear testimony from the witnesses who represented the various ports and levee districts.

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

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

Mr. Conino then offered the following substitute motion:

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

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

Burson (Absent)	Zervigon (Yea)
Cannon (Yea)	Reeves (Yea)
Chatelain (Yea)	Kean (Nay)
Conino (Nay)	Jackson (Yea)
D'Gerolamo (Yea)	Perez (Not Voting)
Fowler (Absent)	Colten (Absent)
Giarrusso (Nay)	
Hayes (Nay)	
Lanier (Nay)	
Shannon (Nay)	
Stephenson (Absent)	
Taylor (Yea)	
Toomy (Nay)	
Ullo (Nay)	

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There being 7 yeas and 8 nays, the chairman announced that the substitute motion had failed.

Mr. Kean offered a motion to table the matter and leave it to the discretion of the committee as the matter is presented from time to time.

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

Cannon (Yea)  
Chatelain ( Yea)  
Burson (Absent)  
Conino (Yea)  
Jackson (Nay)  
Reeves (Yea)  
Kean (Yea)  
D'Gerolamo (Nay)  
Hayes (Yea)  
Lanier (Yea)  
Shannon (Yea)  
Taylor (abstained)  
Toomy (Yea)  
Ullo (Yea)  
Zervigon (Yea)  
Giarrusso (Yea)  
Perez (Not Voting)  
Stephenson (Absent)  
Fowler (Absent)  
Colten (Absent)

There being 12 Yeas and 2 Nays, the chairman announced that the motion had carried.

The chairman then recognized Mr. Edward Reed, executive director and general manager of the Board of Commissioners of the Port of New Orleans. Mr. Reed presented an overall picture of the jurisdiction, financial and authoritative status of the port and requested that certain portions of the present constitution dealing with the Port of New Orleans

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and to bonding authority, be preserved. Mr. Reed noted that the jurisdiction of the port includes the parishes of Orleans, Jefferson, and St. Bernard; and stated that because of the port's constitutional status, the port has a better position in dealing with out-of-state agencies and a better bond rating in the investment market. He also stated that the present method of appointing the members of the dock board is a good one. The value of the fixed assets of the port at the present time is approximately \$134,000,000 at cost. Mr. Reed agreed to submit to the committee, a revised proposed constitutional provision omitting unnecessary or obsolete material, and including a formula to insure representation from the three parishes included within the stated jurisdiction of the port.

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

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

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

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

Representative Chris Ullo of District 84, West Jefferson, was introduced. He stated, "we in Jefferson have been neglected for many years", and as of March 6, 1973, West Bank no longer has freight differentials. Mr. Ullo also stated that Jefferson has no representation on the Board of Commissioners, and he does not feel the port facilities of New Orleans should be in the constitution. He asked the

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committee to make an in depth study into the port facilities of New Orleans; define the jurisdiction of the port; and consider giving Jefferson its own port facility. Mr. Ullo remarked that, at the present time, Jefferson does not have a plan for its own port facility; but if the port authority of New Orleans is retained in the constitution, Jefferson would also like to be included in the new constitution. He stated that he will submit a proposed recommendation on behalf of Jefferson Parish within 30 days.

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

Levee Districts is attached hereto and made a part of these minutes.

The chairman then recognized Mr. Roy T. Sessums, vice president of Freeport Sulphur Company, presently serving as a member of the Mississippi River Commission and a former director of the Louisiana Department of Public Works. Mr. Sessums stated "that the unique levee board setup in Louisiana has proven, over the years, to be the most effective method of handling levee construction and maintenance." He also discussed the Uniform Relocation Assistance Act,

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which involved homeowners and business owners and their personal problems. Mr. Sessums earnestly recommended retaining authority for levee boards in the proposed constitution.

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

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

Mr. Harvey Grant, executive director of the Lake Providence Port Commission, was recognized, and reported that the commission is also a part of the Executive Department of the state and has the full faith and credit of the state to the extent of \$15,000,000 in bonds. Mr. Grant mentioned that there was one point the committee might

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consider that the Lake Providence Port Commission have legal jurisdiction over the entire parish of East Carroll with authority to prevent competing private operations, and in order to avoid legal problems under existing laws, that this right be specifically stated.

The chairman recognized Messrs. Bob McHale and Fred Benton, Sr., attorneys representing the Lake Charles Harbor and Terminal District. Mr. McHale advised that this district

encompasses all of Ward 3, part of Ward 4 in Calcasieu Parish, and is the third largest port in the state. The port is financed from ad valorem taxes, and the board of commissioners sets the millage rates as the need arises. The Lake Charles Harbor and Terminal District is desirous of:

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

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

The committee recessed at 6:00 p.m.

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

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

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	Dorothy Mae Taylor	Dr. Frank Ullo
	Joseph F. Toomy	Mary Zervigon

Absent: Ethan Chatelain  
Tom Colten  
Edward D'Gerolamo  
H. M. Fowler

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

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

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

Mr. Hugh Myers, Department of Public Works, was introduced and recommended that the importance of flood control be recognized in the constitution. He stated that the Department of Public Works acts as consulting engineers

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to the levee districts, has excellent working relations with the levee boards, but the department's authority is extremely limited. Mr. Shannon stated that a committee of which he is a member, is making a study of the levee boards and the Department of Public Works, and a completed report will be available to the committee within 30 days.

Mr. Guy LeMeiux, president of the Orleans Levee Board, was introduced. He stated that the Orleans Levee Board should be given some type of constitutional protection in order to function as a long-term capital improvement board and to protect its income. Mr. LeMeiux recommended that the constitution grant the levee boards control of their own funds. He suggested that the mayor should have the appointive power on the board instead of the governor. Mr. LeMeiux explained that he would be in favor of a general provision in the constitution which set out, in general terms, such requirements as taxing power, how levee boards are formed, etc. The chairman asked if the attorneys of the board could prepare a proposed constitutional provision omitting the present provisions which might be put into statutory material, and also a proposed article that would accomplish the type of protection the board would need if removed from the constitution. Mr. LeMeiux stated that these proposals would be submitted within 30 days.

Mr. Frank Merrick, vice president of the Atchafalaya Basin Levee District, was introduced, and requested the committee to "leave the function of the levee board in

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local hands, rather than be consolidated into or with another state agency." He also requested that "present methods of appointing commissioners by the governor, upon recommendations of the local members of the legislature, continued"; and that the "Atchafalaya Levee District not be consolidated into local governing bodies." A copy of Mr. Merrick's presentation is attached to these minutes.

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

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

However, Mr. Morrell asked that Article VI, Section

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

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

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

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

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fire marshal to continue to exercise necessary control in determining the safety of these historic sites.

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

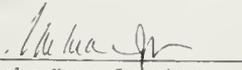
The chairman asked the delegates to indicate the areas in which they had particular interests in order that he would be able to assign them to special subcommittees in the near future.

It was decided that the subject of civil service would be discussed at a later meeting of the committee.

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

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

  
Chalin O. Perez, Chairman

  
R. Gordon Kean, Secretary

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March 19, 1973

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

Ladies and Gentlemen:

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

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

In this presentation we will confine our remarks generally to the police jury system of local government -- its problems -- its challenges -- and its suggested position in the constitution which you people are here to assist in drafting. While there are similar problems confronting

the police jury and municipal form of government we feel that the competent representatives of our municipalities can best advocate their cause.

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

We strongly recommend that the constitution include a home rule provision under which the electors of any parish, municipality or other unit of local government are expressly given the right by a majority vote to adopt or amend a charter

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form of government to suit local needs. The citizens of every community should be given that degree of control over local government which is needed for effective operation. Our state has reached a maturity level to permit a stronger showing of good faith in local government. Parish and municipal officials should be granted broad authority. If they abuse or misuse that authority the wisdom of the electorate can correct the abuses.

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

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We recommend that police juries be given authority to create governmental agencies or service districts for purpose of drainage, fire protection, solid waste disposal, hospitals, irrigation, recreation, road lighting, sewerage,

waterworks and other similar functions. In addition to the authority to create these agencies and to perform all acts expressly authorized by the constitution and general law of the State --- we recommend that local government be granted a tenth amendment type of residual power. Local government should have the authority to exercise any power which is not specifically denied by its charter or by the constitution or general law of the State. This residual power, sometimes called the Fordham Plan, will give local government the needed flexibility to solve local problems.

We recommend that police juries be given control over the various governmental agencies or service districts created by them. This control should include the authority to appoint and remove the members of the governing boards at the will of the police jury. Police jurors secure their office through the election process and if they become unresponsive to public demand they are voted out of office. The board members on these service districts are not subject to the election process and while most are capable and dedicated

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officials some will occasionally drift away from current public sentiment. The police jury should be granted the power to appoint or remove them at will --- otherwise the public is denied any real opportunity to express just grievances concerning the operations of these essential governmental agencies.

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

It is evident that Louisiana will shortly get into a program of property tax equalization. The immediate effect of tax equalization will be a substantial increase in assessment. The police jury must be given express constitutional authority to order its service districts to reduce millage

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to correspond with increased assessment. If the millage is not reduced, the immediate effect will be a bonanza for local government. However the ultimate effect will be a disaster because added taxes will bring on a tax rebellion. The average citizen is concerned with the amount of tax dollars he is called on to pay -- not the assessment or millage on his property.

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

We also recommend that the constitution authorize broad intergovernmental cooperation between all agencies of local government. Lafourche Parish is physically rather narrow and is about sixty-five miles long. It runs from the Assumption Parish line north of Thibodaux all the way to Grand Isle. We have three different municipalities, Thibodaux,

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Lockport, and Golden Meadow. We also have three different hospital districts, several fire protection districts, several drainage districts, several recreation districts, several garbage districts, and several sewerage districts. We have three different waterworks systems in the Parish. Our parish is included within the boundaries of three different levee districts. We are part of a fresh water district which includes several other parishes. We also have a port commission which has been created by legislative act. To further complicate matters, each of three municipalities have created various service districts of their own.

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

A discussion of the judiciary may not be the proper

subject before this committee on local government. However, the police jury must properly house the judiciary, supply our judges and district attorney with office equipment and secretarial help, and in many instances we contribute to the

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

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

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

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

Respectfully submitted,

*Thomas M. Barker*  
Thomas M. Barker, President  
Lafourche Parish Police Jury

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



# Police Jury St. Bernard Parish

St. Bernard Courthouse Annex  
CHALMETTE, LOUISIANA 70043

271-0421

### OFFICERS:

- Henry C. Schindler, Jr. President
- Roy H. Gonzales Vice-President
- Valentine Riess Parish Manager
- Raymond M. McDougall Secretary-Treasurer
- Anthony A. Fernandez, Jr. Assistant Secretary

### MEMBERS:

- Bertrand A. Odinet First Ward  
248 Franciscan Avenue  
Arabi 70032
- Henry C. Schindler, Jr. First Ward  
946 Mehta Avenue  
Arabi 70032
- Roy H. Gonzales Second Ward  
117 Norton Avenue  
Arabi 70032
- Peter Perniciero Second Ward  
56 Carolyn Court  
Arabi 70032
- Nunzio S. Cusimano Third Ward  
2095 Marquette Street  
Chalmette 70043
- John A. Metzler Third Ward  
2800 Ivy Place  
Chalmette 70043
- Louis P. Munster Third Ward  
2118 Paris Road  
Chalmette 70043
- Celestine Melerine Fourth Ward  
Route 1, Box 192  
Vivian 70092
- Claude S. Mumphyrey Fourth Ward  
2012 Mumphyrey Road  
Chalmette 70043
- Roland J. Bergeron, Jr. Fifth Ward  
Box 38  
St. Bernard P. O. 70085
- Walter S. Molero Fifth Ward  
Box 826  
St. Bernard P. O. 70085

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

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

### RESOLUTION

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

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

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

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

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

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

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

YEAS: Messrs. Odinet, Gonzales, Perniciero, Cusimano, Metzler, Munster, Mumphyrey, Melerine, Bergeron, and Molero.

NAYS: None.

ABSENT: None.

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

### CERTIFICATE

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

Witness my hand and the seal of the St. Bernard Parish Police Jury this 13th day of March, 1973.

*R. M. MC DOUGALL*  
R. M. MC DOUGALL  
SECRETARY-TREASURER

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

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

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

I WAS BORN IN THE CITY OF NEW ORLEANS IN 1925, AND RESIDED IN THE CITY UNTIL 1954, AT WHICH TIME I MOVED TO JEFFERSON PARISH.

MY CIVIC AND COMMUNITY ACTIVITIES INCLUDE SERVICE AS PRESIDENT OF THE WEST BANK LIONS CLUB, AN ADVISOR FOR JUNIOR ACHIEVEMENT, UNITED FUND, BOARD OF DIRECTORS OF THE NEW ORLEANS CREDIT MEN'S ASSOCIATION, CHAIRMAN OF THE GOOD GOVERNMENT AND LAW ENFORCEMENT COMMITTEE FOR THE PARISH OF JEFFERSON, THE BOARD OF DIRECTORS AND CHAIRMAN OF THE JEFFERSON PARISH CHAPTER AMERICAN NATIONAL RED CROSS, PAST PRESIDENT OF THE HARVEY CANAL INDUSTRIAL ASSOCIATION, MEMBER OF THE JEFFERSON PARISH ADVISORY COMMITTEE ON COMMERCE, BOARD OF DIRECTORS OF THE CONSTRUCTION INDUSTRY ASSOCIATION, AND MEMBER OF THE EXECUTIVE COMMITTEE OF THE MISSISSIPPI VALLEY TRADE COUNCIL, MEMBER OF THE BOARD OF INTERNATIONAL HOUSE,

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I AM A DIRECTOR OF THE ECONOMIC DEVELOPMENT COUNCIL OF THE NEW ORLEANS AREA, A DIRECTOR OF THE AMERICAN WATERWAYS OPERATORS, MEMBER OF THE AMERICAN WATERWAYS OPERATORS-CORPS OF ENGINEERS LIAISON COMMITTEE, PRESIDENT OF THE LOUISIANA SHELL PRODUCERS ASSOCIATION, MEMBER OF THE CHAMBER OF COMMERCE OF NEW ORLEANS, MEMBER OF THE CONSTRUCTION INDUSTRY LEGISLATIVE COUNCIL, MEMBER OF THE GOVERNOR'S ADVISORY COMMITTEE COMPREHENSIVE RIVER AREA STUDY PHASE II. I HAVE ALSO SERVED AS A MEMBER OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, THE DOCK BOARD, FROM MAY 19, 1970, TO JULY 17, 1972.

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

I AM HERE TODAY TO ADDRESS MYSELF TO THE MATTER OF THE PORT OF NEW ORLEANS. IN THE LAST SEVERAL WEEKS I'VE READ MANY STATEMENTS BY VARIOUS REPRESENTATIVES OF THE DOCK BOARD AND THEIR FRIENDS EXPRESSING CONCERN THAT THE DOCK BOARD MAY AS A RESULT OF THE ACTIONS OF THIS CONSTITUTIONAL CONVENTION, BECOME POLITICALIZED

I WOULD LIKE TO MAKE IT CLEAR THAT I DO NOT WANT NOR DO I INTEND TO HAVE ANY PART TO PLAY IN RETURNING THE DOCK BOARD TO THE SO CALLED "POLITICAL HAYRIDE DAYS OF THE 1930'S." AND I KNOW THAT THE DELEGATES OF THIS CONVENTION HAVE NO INTENTION OF DOING THAT EITHER. THIS SMOKE SCREEN THAT THE DOCK BOARD

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IS LAYING IS AN INSULT TO THE PUBLIC AND TO THE MEMBERS OF THIS CONVENTION. IT'S THEIR MOODS OPERANDI, THE WAY THEY APPROACH ANY ISSUE WHICH THREATENS THEIR

PRIVATE PRESERVE. THEY'RE SAYING THERE ARE ONLY TWO CHOICES - MAINTENANCE OF THE STATUS QUO OF THE DOCK BOARD, OR POLITICALIZATION OF THE PORT.

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

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

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

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

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

NEW ORLEANS WILL REMAIN NUMBER TWO BECAUSE OF ITS LOCATION, BUT THAT ALONE DOES NOT MEAN THAT IT WILL BE A STRONG, VIABLE PORT, CONTRIBUTING TO THE ECONOMY

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OF THE STATE AND AREA. WE'VE BEEN A COMPLACENT, SELF-SATISFIED NUMBER TWO, SITTING ON THE BANKS OF THE RIVER, PLANNING TO MOVE OUR PORT TO A MAN-MADE DITCH, WHILE SMALLER PORTS TAKE BITES OF OUR TONNAGE AND MAKE OUR PORT MANAGEMENT LOOK LIKE ITS STILL IN THE KEELBOAT ERA.

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

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

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

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

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

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

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IF OUR PORT WERE USING ITS FACILITIES AS EFFICIENTLY AS GULFPORT AND HOUSTON ARE APPARENTLY USING THEIRS.

THAT'S BASICALLY THE WHOLE STORY - THE PORT OF NEW ORLEANS IS NOT EFFICIENTLY MANAGED NOR DO CERTAIN INTEREST WANT IT EFFICIENTLY MANAGED.

THE PROSPECTS FOR THE PORTS FUTURE ARE MORE FRIGHTENING.

MANY YEARS AGO, SOMEONE, FOR REASONS UNKNOWN TO ME, CONCEIVED THE IDEA OF DIGGING A SEAWAY FROM THE GULF OF MEXICO TO NEW ORLEANS TO BYPASS THE MISSISSIPPI RIVER. IT WAS DUG AND IS KNOWN AS THE MISSISSIPPI RIVER GULF OUTLET. OTHER THAN CREATING ANXIETY FOR THE PEOPLE OF ST. BERNARD PARISH AND THE LOWER NINTH WARD OF ORLEANS PARISH, WHO CONSIDER THEMSELVES EXPOSED TO DANGEROUS FLOODING BECAUSE OF THIS PROJECT; OTHER THAN THE FACT THAT THIS DITCH HAS NEVER REACHED ANYWHERE NEAR ITS TONNAGE PROJECTIONS, BECAUSE STEAMSHIP COMPANIES DO NOT WANT TO USE IT; OTHER THAN THE FACT THAT IT HAS DONE IRREPARABLE DAMAGE TO OUR STATE'S VALUABLE WETLANDS THE DOCK BOARD TOUTS IT AS A SUCCESS AND HAS GREAT PLANS FOR IT.

TO REPEAT THE MISSISSIPPI RIVER IS THE GREATEST ASSET THAT THE PORT OF NEW ORLEANS HAS, IT'S THE REASON FOR ITS BEING, AND YET THE DOCK BOARD PLANS TO MOVE THE PORT FROM THE RIVER. WHY?

THE ANSWER IS SIMPLE. THE DOCK BOARD FOUND ITSELF IN A POSITION WHERE IT WAS FORCED TO CONCOCT A SCHEME TO EXPLAIN AWAY ITS OWN FAILURES.

IT HAD NOT OPERATED IN AN EFFICIENT AND ECONOMICAL MANNER: IT DID NOT

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PROVIDE FOR PROPER UPKEEP AND MAINTENANCE OF ITS FACILITIES; IT SUDDENLY DISCOVERED THAT MANY OF ITS WHARVES WERE DILAPIDATED, AND IT WAS CAUGHT UNPREPARED BY NEW SHIPPING TECHNOLOGIES THAT DEMANDED CHANGES AND IMPROVEMENTS WHICH THE PORT DID NOT HAVE THE WHEREWITHAL TO SATISFY.

WHAT SHOULD HAVE SEEN APPARENT TO EVERYONE - THE RUN-DOWN CONDITION OF THE PORT - BECAME A SUDDEN CRISIS, AS IF WHARVES HAD ROTTED OVERNIGHT - THE PORT HAD TO BE SAVED. IT HAD TO BE SAVED FROM ITSELF, IN TRUTH BUT THAT WAS NEVER MENTIONED.

SO A PLAN WAS CONCEIVED....LET'S GO TO BATON ROUGE AND GET STATE FUNDS. WE'RE GREAT! WE'VE DONE OUR PUBLIC RELATIONS WORK WELL ENOUGH, SO THAT EVERYONE BELIEVES WE CAN DO NO WRONG. BUT, WE MUST BE CAREFUL AND NOT HAVE SOMEONE REALIZE HOW BAD THE JOBS BEEN DONE AND TAKE US TO TASK FOR IT. LET'S HIRE SOMEONE TO GIVE US CREDIBILITY.

SOMEONE WAS HIRED - FOR \$300,000.00 OF TAXPAYERS' MONEY WITH THE END RESULT BEING - THE CENTROPORT CONCEPT.

THE PLAN WAS SUCCESSFUL - BECAUSE IT RESULTED IN THE STATE LEGISLATURE GIVING THE PORT OF NEW ORLEANS \$30,000,000.00 TO MOVE A PORT THAT SHOULDN'T BE MOVED. IT'S OF COURSE UNDERSTOOD, BY ALL WHO ARE CLOSE TO THE PORT, THAT THE \$400 MILLION DOLLARS NEEDED BETWEEN NOW AND YEAR 2000, FOR THE CENTROPORT CONCEPT, MUST BE STATE FUNDS, BECAUSE THE PORT IS NOT GENERATING ENOUGH FUNDS TO MAINTAIN ITSELF MUCH LESS GENERATING ENOUGH FUNDS TO MOVE ITSELF.

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WE COULD TALK ABOUT MANY MORE OF THE PORT'S INADEQUACIES OVER THE YEARS; THE RIVENGATE, THE AUDUBON PARK BATTURE INCIDENT, THE PERRY STREET WHARF FREIGHT DIFFERENTIAL, THE STUYVESANT DOCK SITUATION, THE PUBLIC BULK TERMINAL THAT CANNOT DEVELOP BECAUSE OF IT BEING IN A DITCH, AND, OF COURSE,

THE UNREALISTIC, AND YET SO ACCORDING TO FORM, HANDLING OF THE NEW LOCK PROJECT.

BUT, I DON'T THINK IT'S NECESSARY TO BELABOR THEIR FAILINGS, BECAUSE I THINK WE'RE ALL TOO FAMILIAR WITH THEM.

WHAT WE MUST CONCERN OURSELVES WITH IS THE FUTURE.

DURING THE PAST SEVERAL MONTHS, I'VE GIVEN MUCH THOUGHT AS TO HOW TO BEST HANDLE THE MATTER AND HAVE COME UP WITH WHAT I FEEL IS A REALISTIC ANSWER. WHILE I COULDN'T BELIEVE IT AT FIRST, ITS BECOME RATHER OBVIOUS TO ME THAT THE MAJORITY OF NEW ORLEANS' LEADERS, BOTH POLITICAL AND BUSINESS, ARE SATISFIED WITH THE PORT OF NEW ORLEANS AND ITS OPERATIONS. SOME MAY DENY THIS ASSUMPTION, BUT I HAVE ONLY THE PUBLIC RECORD TO LOOK TO, AND IT HAS FAILED TO SHOW ME THAT THE MAJORITY OF THE LEADERS ARE EITHER CONCERNED OR INTERESTED IN WHETHER OR NOT THE PORT OF NEW ORLEANS IS AN EFFICIENT AND PROPERLY MANAGED PORT.

WITH THAT THOUGHT IN MIND I SAY - LET THE CITY OF NEW ORLEANS HAVE THE PORT OF NEW ORLEANS. THE PORT OF NEW ORLEANS IS NOT THE BENEFIT THEY WOULD HAVE YOU BELIEVE IT IS TO THE STATE OF LOUISIANA, SO WHY THE NEED FOR IT TO BE A STATE AGENCY, OTHER THAN TO GET STATE MONEY TO COVER IT DEFICIENCIES.

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SOME MAY REACT THAT YOU CAN'T DO THIS BECAUSE YOU WOULD DEPRIVE THE OTHER TWO PARISHES THAT ARE PRESENTLY UNDER THE PORT'S CONTROL JEFFERSON AND ST. BERNARD, OF THE BENEFITS THEY GET FROM BEING PART OF THIS GREAT PORT. BOTH PARISHES MAY OBJECT, BUT LET'S SEE IF THEY HAVE ANY VALID REASON OR RIGHT TO OBJECT.

THE MEMBERS OF THE DOCK BOARD ARE PRESENTLY NOMINATED BY SEVENTH ORGANIZATIONS, SIX ARE NEW ORLEANS ORGANIZATIONS AND THE SEVENTH IS TIED TO NEW ORLEANS THRU THE CHAMBER OF COMMERCE. FROM THIS YOU MUST ASSUME THAT SINCE NEW ORLEANS PRESENTLY CONTROLS THE NOMINATIONS OF MEMBERS THE OTHER TWO PARISHES, JEFFERSON AND ST. BERNARD, HAVE NO RIGHT TO OBJECT THAT THE PORT AUTHORITY BE LIMITED TO ORLEANS PARISH.

APPARENTLY THE COMMUNITY LEADERS ARE SATISFIED WITH THE NOMINATING PROCESS, AS IT PRESENTLY EXISTS - SINCE I'VE HEARD NO OBJECTIONS, THEREFORE, UNTIL THEY DEMAND A BETTER METHOD, AND THERE ARE PLENTY OF BETTER METHODS AVAILABLE, I SUGGEST THAT THE NOMINATING PROCESS NOT BE CHANGED.

THE PORT HAS 8.5 MILLION SQUARE FEET OF BERTHS UNDER WHAT THEY CALL FIRST CALL PRIVILEGE. OF THIS FIGURE, 250 THOUSAND SQUARE FEET IS LOCATED OUTSIDE ORLEANS PARISH. 8.25 MILLION SQUARE FEET IN ORLEANS PARISH, 250 THOUSAND SQUARE FEET OUTSIDE ORLEANS PARISH. I'M SURE WITH A LITTLE IMAGINATION AND COOPERATIVE EFFORT ARRANGEMENTS CAN BE WORKED OUT TO RELIEVE THE DOCK BOARD OF THE FACILITIES LOCATED OUTSIDE OF ORLEANS PARISH,

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THEREBY, AGAIN REMOVING ANY RIGHT JEFFERSON AND ST. BERNARD MIGHT HAVE TO OBJECT TO THE PORT BEING LIMITED TO ORLEANS PARISH.

ALL DOCK BOARD PLANS ON RECORD - THE CENTROPORT CONCEPT - INSIST THAT ALL NEW PORT FACILITIES BE ALONG THE M.R.G.O., IN ORLEANS PARISH OR AT STANTON PLANTATION, AGAIN IN ORLEANS PARISH, SO WHY SHOULD JEFFERSON AND

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

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

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

ONE FINAL THOUGHT.

THE PLAN I HAVE PROPOSED MAY NOT BE THE SOLUTION YOU ARE LOOKING FOR.

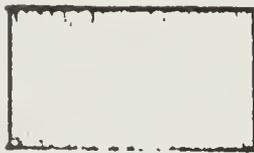
BUT IT HAS BEEN OBVIOUS THAT THE DDCK BOARD HAS BEEN REFERRED TO AS A SACRED COW SO MANY TIMES THAT ITS MEMBERS AND STAFF ACTUALLY BELIEVE THEY ARE UNTOUCHABLE AND UNANSWERABLE.

DDCK BOARD SPOKESMAN HAVE EXPRESSED CONCERN THAT THEY MAY LOSE THEIR

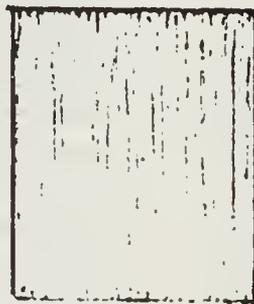
-10-

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

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



NEW ORLEANS  
.73



GULF PORT  
EAST OF  
NEW ORLEANS

1.8



GULF PORT  
WEST OF  
NEW ORLEANS

3.0

JOINT LEGISLATIVE COMMITTEE

ON THE

REORGANIZATION OF LEVEE DISTRICTS

(Created by Act No. 387 of the 1972 Regular Session)

Supplemental Report

to the

Constitutional Convention

Created by Act No. 2 of the 1972 Regular Session

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

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

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

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

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

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

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

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JOINT LEGISLATIVE COMMITTEE ON THE REORGANIZATION OF LEVEE DISTRICTS

MINUTES

February 27, 1973

A meeting of the Joint Legislative Committee on the Reorganization of Levee Districts was held in the Senate Lounge of the State Capitol at 10:00 A. M. on February 27, 1973.

Chairman Lauricella called the meeting to order at 10:00 A. M., with the following members present: Senator F. E. Lauricella, Senator Paul G. Hardy, Senator Nat G. Kiefer, Senator Bryan Poston, Representative W. D. Folkes, Representative Carl Gunter, Representative Raymond Laborde, Representative Frank Patti, Representative V. C. Shannon and Representative Warren J. Simon. Also present were: Mr. Joe Burris, Mr. Sydney McDonald, Mr. Robert Vicair, Mr. Redon Smith, Mr. Ory Poret, Mr. Chalin Perez, Mr. Herman Lowe, Mr. Guy LeMieux, Mr. Scott Cannon and Miss Clair Aaron.

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

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

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

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

The first item discussed was the Report to the Constitutional Convention. Prepared and offered to the committee by Representative Patti. Representative Patti moved that the report be adopted as the committee's report to the Constitutional Convention. Following a page by page discussion by members and guests, and various changes adopted by the committee, the attached report was adopted as a supplemental report to the convention. It was agreed that additional reports may be submitted.

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

The next item of discussion was the agenda for the next meeting. Representative Shannon's proposal was used as a guide. The first item is to be the matter of per diem, expenses and membership of boards and commissions. The next item is to be the question of land ownership. The third item will be the question of budgets.

The next meeting was set for Thursday, March 15, 1973, at 10:00 A.M.

The meeting adjourned at 2:30 P. M.

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

The principal reason for the study authorized by Act 387 was the misuse or abuse by certain levee board members of their authority, particularly with respect to per diem and mileage collected. There are approximately 105 levee board members in this state, many of whom have served long, honorably and well as levee board members. Criticism concerning mileage and per diem use has been limited to certain members of 2 or 3 levee boards out of a total of 17 levee boards throughout the state. It was the consensus of the committee that rather than recommend the abolition of state agencies which historically have operated efficiently and well that the conclusion must be inevitably reached that levee districts should be maintained and that effective methods must be developed to eliminate the recited abuses.

Among the witnesses appearing were:

Major General Charles Noble, U. S. Corps. of Engineers

Mr. Roy Sessums, Mississippi River Commission

Mr. Ed Steimel, PAR

Mr. Ed Stagg, CABL

Mr. Hu Meyers, Chief Engineer, Dept. of Public Works

It was determined that two-thirds of the people of the state live behind

levee systems, that most of Louisiana's industrial installations, two-thirds of its farms, many of its principal cities and countless smaller communities are protected by these levee systems, its major highways, railways, power lines, and other public utilities.

The evidence presented shows that levee districts are involved in many levee maintenance and construction aspects. Under appropriate federal law, levee boards are charged with the responsibility of maintenance of levees and flood control to the extent of their capabilities. Federal law (United States Code 33:702) requires that upon completion of any levee constructed for flood control on the Mississippi River that "said levee shall be turned over to the levee district protected thereby for maintenance thereafter." This entails the constant surveillance and repair of levees, particularly during flood stages to protect against levee failures, levee topping and other flood problems. In addition, levee boards are charged with the responsibility of the acquisition of the necessary rights of way for enlargement, setback and other levee projects, including the administration of the recently enacted Uniform Relocation Assistance Act.

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

1. Those whose lives and property are protected by levees have the greatest interest in preserving the integrity of existing levees, in proposing their improvement and in the construction of additional protection levees.
2. Many levee board members actively participate in planning and promotion of protection levees and other related flood control

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

3. When levee improvement work is needed, levee board members provide the local contact with the residents of the area affected by the public works program. Included among their responsibilities are negotiation and settlement for damages with the local property owners for loss of property and improvements and the administration of the recently enacted Uniform Relocation Act. Under this Act, personal contact with and evaluation of homeowners and their properties is required even to the extent of building new homes for families having substandard accommodations and the temporary relocation and accommodation of displaced persons as the result of these public works projects.
4. There are many levees throughout the state which have not yet been constructed, or which have not been completed to grade.

Included among these are the vast levee systems planned for the Atchafalaya Basin and hundreds of millions of dollars in hurricane protection levees planned for South Louisiana. In connection with the planning of Mississippi River and tributaries and hurricane protection levees, the advice and counsel of the local levee board members, as well as of the Department of Public Works, is essential. Dedicated levee board members

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can adequately protect the interests of local residents and property owners in levee and other flood control planning.

5. The financing of hurricane protection levees is a local responsibility to which other areas of the state without need of hurricane protection levees would be unwilling to contribute. If levee districts were consolidated into one state agency, all of the people of the state would be required to contribute to and support levee construction and maintenance even though many would not benefit from these levees. Appropriate federal law requires local interests to contribute 30% of the project cost. The total estimated cost of hurricane protection projects for South Louisiana is \$409,600,000 and local participation approximately \$123,000,000.

Four possible alternatives for local management were discussed:

1. Retain the present method of appointment by the Governor upon recommendation of the local members of the Legislature and enact appropriate legislation to eliminate abuses by levee board members of per diem and mileage.
2. Elect levee board members with each parish included within a levee district electing at least one member of the board.
3. Local governing authorities appoint levee board members.
4. Consolidation of levee district situated entirely within the boundaries of one parish into the governing authority of such parish.

The method of appointment or election of levee board members in other states was studied. In three states along the Mississippi River levee board members are elected; and in three states levee board members are

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appointed by local agencies, either by county commissioners or by county courts. In Louisiana levee board members are appointed by the Governor.

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

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

This committee has reached the following conclusions:

1. Adequate provisions should be made in the constitution for the continuation of levee districts or flood control districts.
2. The Legislature should be given authority to consolidate small and non-contiguous levee districts in order to provide for more efficient management and operation of these districts and to provide for fewer levee boards.
3. The Legislature should be granted authority to divide levee districts which are located in more than one parish in order to provide the possibility of merging levee districts into the governing authority of parishes.

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

The following suggested constitutional provision would accomplish these objectives.

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

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

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

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

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

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

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Attached hereto are copies of the testimony of Major General Charles C. Noble, President of the Mississippi River Commission, and of Roy Sessums, Member of the Commission. The Mississippi River Commission is the lead agency charged with the responsibility of flood control work by the United States Government in Louisiana and other states. Copies of the testimony of Ed Steindel, Executive Director of PAR are also attached.

The extensive files of the committee are located in the offices of the Legislative Council, and will be made available to the Convention upon request at any time.

Respectfully submitted,

JOINT LEGISLATIVE COMMITTEE ON  
REORGANIZATION OF LEVEE DISTRICTS

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1973  
LOUISIANA CONSTITUTIONAL  
CONVENTION

LOCAL AND PAROCHIAL  
GOVERNMENT COMMITTEE

Natural Resources Building  
Baton Rouge, Louisiana  
March 19, 1973

Statement of

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

concerning

THE ROLE OF LOCAL LEVEE BOARDS

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

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

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

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

Over the years, and particularly during the period of time in which I served as Director of the Louisiana Department of Public Works and presently as a member of the Mississippi River Commission, I have become thoroughly familiar with the

levee systems and the levee boards of this state, and to a certain degree with the levee boards in other states. I can state without fear of contradiction that the unique levee board setup in Louisiana has proven, over the years, to be the most effective method of handling levee construction and maintenance. This is particularly true when one considers the excellent job that has been performed in all functions by the levee districts in Louisiana as compared to other states.

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

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

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

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

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

The disruption of business and homes is a traumatic

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experience for homeowners and business owners. Question upon question must be answered, involving endless negotiations and

pacification. Without the local levee board members who know their constituents and speak the language of the people of the area, the accomplishment of federal levee construction and improvement work would be seriously hampered.

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

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

The levee systems in this state are far from being completed. In the Atchafalaya Basin, for instance, many years

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of work will be required before these levees are completed to project grade. In many areas along the Mississippi River, projects for enlarging, setback and construction to grade must still be accomplished and will have to be continually worked on, particularly in the areas where the subsoil conditions are poor.

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

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

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

Most levee board members are substantial and successful

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

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

Recently, there has been a considerable hue and cry in the public media concerning the abuses by a small percentage of the levee board members with respect to the per diem received and mileage charged for their services. These are the exception

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and not the rule.

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

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

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

Today, two-thirds of the people of the state live behind levee systems. They take their levees for granted and no longer worry about the possibility of flood or other disasters

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caused by high water. I am sure that each of you had reason to reflect upon the value of our levee system during the past few months when the Mississippi river rose to its highest level during the winter months in more than 50 years.

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

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

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

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

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

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

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

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

OUR BOARD IS COMPRISED OF TEN MEMBERS ALL SERVING WITHOUT PAY BUT HAVING THE INTEREST AND AUTHORITY TO SET POLICY AND MAKE DECISIONS AS NECESSARY.

THERE ARE NUMEROUS INSTANCES WHERE WE ARE FACED WITH EMERGENCIES, SUCH AS DAMAGE TO OUR DOCKS OR FACILITIES, THAT DEMAND IMMEDIATE DECISIONS.

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

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

SINCE 1956 OUR PORT HAS EXPANDED AT A FANTASTIC RATE WITH OUR EXPENDITURE ON FACILITIES INCREASING FROM 12½ MILLION DOLLARS TO SOME 48 MILLION DOLLARS. ALL OF OUR FACILITIES ARE BEING WORKED TO CAPACITY. WE HAVE GROWN TO BE THE THIRD LARGEST PORT ON THE GULF AND SEVENTH IN THE NATION.

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

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

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

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

The South Louisiana Port Commission was created and established by Article 6, Section 33.1 of the Louisiana Constitution as a self-operative constitutional amendment, there being no legislation enacted to further define or expand the powers and authority of said Commission, except R. S. 34:2471. The port area of the South Louisiana Port Commission consists of the Parishes of St. Charles, St. John the Baptist and St. James, which necessarily includes the Mississippi River as it bisects said parishes. To the knowledge of the undersigned, only two other port authorities in the State of Louisiana include a three parish area or portions of the Mississippi River, those being the Port of New Orleans and the Greater Baton Rouge Port Commission. Thus, these multiparish commissions have much greater geographical authority than single parish port authorities and deserve special treatment in the Louisiana Constitution.

At the present time, the South Louisiana Port Commission has outstanding \$12,065,000.00 of bonds maturing serially in the years 1973 to 1992, inclusive. Furthermore, this Commission is presently committed to or in the process of negotiating the acquisition and financing of several substantial port facilities, which projects will enhance the economic development of the port area and the State. One of these projects contemplates the construction and acquisition of a public bulk terminal facility to handle ore and bulk metal products and is projected to cost \$17,000,000.00. The State

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Bond and Tax Board already approved such financing at a meeting of said Board held on March 16, 1972. Associated with this terminal facility will be the construction of a \$31,000,000.00 steel mill and metalizing pellet plant by a large steel company in this country.

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

In the event it is decided by this Committee that all port and port commission material be deleted from the proposed Constitution, it is respectfully requested that the legislative enactments to be proposed in lieu of existing constitutional provisions incorporate all of the present powers and authority of the South Louisiana Port Commission as they appear in Article 6, Section 33.1 of the Louisiana Constitution and R. S. 34:2471.

Respectfully submitted,

  
S. E. CREEL, PRESIDENT  
SOUTH LOUISIANA PORT COMMISSION

*Chapman*  
*Rep. Allen*

STATEMENT OF:  
WEDON T. SMITH, PRESIDENT  
ASSOCIATION OF LEVEE BOARDS OF LOUISIANA

MR. CHAIRMAN - GENTLEMEN OF THE COMMITTEE:

I appreciate the opportunity of again appearing before you.

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

It is my understanding that today you are to give particular consideration to the following:

- 1) The maximum number of days of per diem a levee board member should be permitted to draw each year. This would be for all of his services, to his district, including attendance at board meetings, levee inspections, appropriation hearings, meetings of associations which have as their objective promotion of projects of interest to his levee district, or anything else he is required to do as a board member.
- 2) The amount of per diem to be paid.
- 3) What expenses a board member should be reimbursed



## SOUTH LOUISIANA PORT COMMISSION

PARISHES OF ST. CHARLES, ST. JOHN, ST. JAMES

March 19, 1973

STUART CREEL  
President  
P. O. Box 177  
Opaville, La.

RAYMOND O. LEBOUF  
Vice-President

WILLIE J. ROYNER, JR.  
Secretary

COMMISSIONERS  
STUART CREEL  
LEJUNE DUBRE  
FREDDIE DIANGROSSO  
RAYMOND O. LEBOUF  
HENRY J. REVEL  
WILLIE J. ROYNER, JR.  
DEBILLO ALEXANDER  
ROY AQUILLARD  
CHARLES SMITH, JR.

THIS STATEMENT HAS BEEN PREPARED AT THE REQUEST OF AND SUBMITTED TO THE COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT FOR PRESENTATION AT A MEETING OF SAID COMMITTEE SCHEDULED ON MARCH 19, 1973, IN BATON ROUGE, LOUISIANA.

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

which are incurred in the fulfillment of his duties for ...s district.

4) Levee board lands - their ownership and management.

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

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

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

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

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being a levee board member are. I am more familiar with the Tensas Basin Levee District than any other, so I will use this board as an example. The Tensas Basin Levee District comprises all of part of eight parishes. It extends from the Arkansas line south to where the Black River enters the Red, and is bounded on the south by the Red. The district is more than 100 miles in length and would probably average about 30 miles in width. It maintains over 100 miles of levees on the Ouachita and Black Rivers, the Monroe and West Monroe flood walls, the Columbia and Jonesville, Louisiana ring levees and flood walls and all of the major drainage arteries in the district. It also shares responsibilities with the Southeast Arkansas Levee District of maintaining the levees on the west side of the Mississippi River from a point near McGehee, Arkansas south to the Louisiana line. There is considerable construction in the district, particularly in Catahoula and Ouachita Parishes at the present time. For fiscal year 1973 the Congress appropriated approximately \$10,555,000.00 for projects in the district of interest to the board. The board will furnish rights of way in some instances for these projects and will also have maintenance responsibilities for them. CON-

gress will be asked to appropriate something in excess of Ten Million Dollars for expenditure in the district in fiscal year 1974. The board's income for current expenses for this fiscal year will be slightly in excess of 1/2 Million Dollars. Of this

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amount, approximately \$75,000.00 will be received from investments on its reserve funds.

Each of the eight parishes in the district is represented by one member on the board. All of these men are leaders in their community and are substantial property owners. Three serve on bank boards, they are automobile dealers, cotton ginners, insurance agents, attorneys, and as stated all are successful and respected. But what do they do as levee board members?

FIRST, they attend our board's regular meeting the second Tuesday of each month. The meeting starts at 9:00 A.M. and in most instances lasts until about 12:00. This means some board members have to leave their home about 7:00 A.M. and get back to their business just before the end of the business day. So 12 days a year are needed to attend these regular board meetings.

SECOND, our board functions with three committees:

- (A) Finance and Claims
- (B) Equipment
- (C) Insurance

The Claims Committee generally meets the day before our regular meeting to screen our bills and to approve or disapprove them. This

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is necessary if the board is to keep close control on purchases and expenditures. It also makes recommendations concerning investing our reserve funds.

Our other committees meet as necessary.

I feel 12 days in more instances would be required for each of our members for their committee assignments.

THIRD, one of the most important functions of the board and its members is the relationship which must be maintained with the Mississippi River Commission, The U. S. Army Corps of Engineers, The Louisiana Congressional Delegation, Water Resources & Flood Control Associations and others. These hearings, and meetings generally require three to five days in Washington each year to attend meetings or the appropriation

committees or both the house and senate, 2 days are spent attending hearings held by the Mississippi River Commission when it makes its annual Low And High Water inspections. Four days are spent when the Levee Board Association and The Lower Mississippi Valley Flood Control Association meets in New Orleans.

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And some additional time when the Water Resources Congress meets. These meetings and contracts are important because it is through them we are getting millions from the Congress each year for projects needed in the Tensas District. Our board members attend most of these meetings to show the district's interest and support for those projects. I have shown that Nine to Eleven days each year is needed for these purposes.

FOURTH, Even though the items above have exceeded the 30 days recommended, levee board members have to spend considerable additional time on behalf of their board. In our district the board member for an individual parish is the person the people in that parish look to when levee board business or problems are involved. We are the liaison between the people in the parish and our board as a whole. Our superintendent contacts our individual board members each week to determine whether some problem (more than routine) has arisen or been called to his attention in his particular parish. Emergencies are not uncommon, particularly during the flood season. I could give you innumerable examples of this during the current year. Our members are of great help when rights of way are being acquired by our board. They

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spent two days in February of this year in studying emergency procedures and techniques which might have to be used for flood fights this year. They have to stay on top of the flood potential problem in their parish, because they are the levee board as far as the people of their parish are concerned. In my humble opinion they in truth and fact will spend parts of far more than 30 days each year serving their district and its people for these purposes alone.

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

be entitled to, but certainly if they wanted to claim it should be available to them.

#### THE AMOUNT OF PER DIEM

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

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If the Tensas Board asked for the full 30 days at \$50.00 per day, it would only mean a cost of \$10,500.00 each year for the district. Here are our men helping to get millions each year for the district, helping protect homes, and properties worth hundreds of millions in dollars and most importantly, people serving at a cost less than what one person of average ability might cost the state. Gentlemen, I do believe \$50.00 per day is a pittance when compared to what these men contribute to the public good.

#### EXPENSES

I respectfully submit:

That levee board members should be paid .12¢ per mile when they use their own car for their board's business as mileage and be reimbursed their actual other expense incurred on board business. This does not mean they should have a suite in the finest hotel, but to the contrary accommodations and food consistent with what they would have if they were being paid for with their own money. I too think that if they pay for a meal for a member of the Corps, a member of congress or anyone else where business of value to their district is involved, this too should be reimbursable. This is big business for our state and should be treated accordingly. Certainly any expense item should be documented and closely scrutinized when the board is audited.

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#### LEVEE BOARD LANDS

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

I find that the Tensas Board where it has the opportunity of leasing lands for agricultural purposes fares far better than other public bodies. At the present time we only own a total of approximately 3,500 acres of land. A large portion of these lands is not agricultural attractive. The board generally will accept \$15.00 per acre or a percentage of the crop, whichever be the greater, if the lands are in

cultivation at the present time. At its meeting held Tuesday, March 13, the board accepted a lease proposal on 430 odd acres of cut-over lands owned by it in Catahoula Parish, Louisiana on the following terms:

- A) \$1.00 per acre cash rent per year.
- B) The lessee must clear and make ready for cultivation at least 100 acres of this land by January 1, 1974 and must clear the balance by January 1, 1975.

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- C) A five (5) year primary term.

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

In those instances where the surface of levee board lands is unsuitable, either for agricultural or timber growing purposes, I believe that the board should enter into some agreement with either the Department of Wildlife and Fisheries or the State Park Commission for these lands to be made available as recreation areas to the general public. This would not mean the title to these lands should be divested from the levee board, but simply would be an agreement between the board and another agency giving this other agency the right to develop the lands for the best interest of the general public.

In most instances when an application is made to a levee board for a mineral lease, the board generally refers the matter to the State Mineral Board and this agency handles the matter. We find that this has been advantageous both to our board and to the public as a whole. That portion of the levee board land situated in Catahoula Parish, Louisiana is located in what is generally referred to as the

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WILCOX trend or area of our state. Private landowners generally receive from \$5.00 to \$10.00 per acre bonus and a normal 1/8th royalty for their execution of mineral leases due to the fact the Wilcox Formation is highly speculative. As you know, the State Mineral Board has postponed execution of leases in our state until a study could be made with reference to protecting the state where the production of gas is involved. Since there is no gas production in Catahoula Parish, during this lease moratorium, the Tensas Basin Levee District advertised for a mineral lease covering 40 acres of its lands in Catahoula Parish, Louisiana. Bids on this tract were accepted at our meeting held Tuesday, March 13. Only one bid was received and we were amazed that the offer made was to pay a bonus of approximately \$125.00 per acre and a 3/16th royalty. Generally speaking, the State Mineral Board has felt that we should receive a minimum of \$11.00 per acre and a 1/6th royalty. Whether

mineral leases be handled by the State Mineral Board or by the boards direct, I do believe that it is being handled fairly and properly and to the public's best interest.

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

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sales were used in building the levee system we presently enjoy in our state.

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

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

Respectfully submitted,

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

WTS/Es

#### NOTES

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

REMARKS BY MAJOR GENERAL CHARLES C. NOBLE, PRESIDENT, MISSISSIPPI RIVER COMMISSION, AND DIVISION ENGINEER, LOWER MISSISSIPPI VALLEY DIVISION, BEFORE THE COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT OF THE LOUISIANA CONSTITUTIONAL CONVENTION, BATON ROUGE, LOUISIANA, 20 MARCH 1973.

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

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

These major projects which will cost several billion dollars to complete

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

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

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

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

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

We are closely watching the situation.

Last month, we conducted a flood fight exercise throughout the valley. In view of the high river, the exercise had a very special significance this year. We had no trouble working up enthusiasm with our own people

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and with the levee boards and other agencies we invited to participate. We had a good response from all participants.

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

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

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

We have found the local nature of the levee boards to be a key advantage in obtaining rights-of-way and rights-of-entry and in maintaining landside drainage. Real estate is often a time-consuming problem for us, and levee boards, by knowing the landowners involved, have been able to obtain land and entry agreements promptly and with far less difficulty than we would have experienced. The boards have had additional responsibilities placed on them

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by Public Law 91-646, the Uniform Relocations and Assistance Act. This legislation has made the acquiring of rights-of-way a more complex and expensive procedure in order to protect the interests of those whose homes and businesses have to be relocated because of a Federal or Federally-assisted project. The boards are responding to this new statutory requirement, and we are working together in resolving the problems inherent in the turnover of this responsibility to local boards.

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

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

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

We in the Corps feel that the local cooperation required by law is being well provided by the Louisiana system of coordinated state and local entities whose principal concern is the flood protection system. Based on

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

That concludes my prepared statement, Mr. Chairman, and I will be glad to answer questions pertaining to relationship between the Corps and the levee boards.

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STATE OF LOUISIANA  
CONSTITUTIONAL CONVENTION OF 1973

## COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT

NATURAL RESOURCES BUILDING  
STATE MINERAL BOARD HEARING ROOM  
BATON ROUGE, LOUISIANA

MARCH 20, 1973

## STATEMENT OF:

FRANK MERRICK, VICE PRESIDENT

BOARD OF COMMISSIONERS FOR THE  
ATCHAFALAYA BASIN LEVEE DISTRICT

DOMICILE: PORT ALLEN

consolidated into or with another state agency, since those whose lives and property are protected by this district's levees have the greatest interest in preserving the integrity of existing levees, in proposing and maintaining their improvements and in the construction of additional protection levees where needed.

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

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

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

\* \* \* \* \*

I am Frank Merrick, Vice-President of the Board of Commissioners for the Atchafalaya Basin Levee District.

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

The Atchafalaya Basin Levee District contains approximately 3 million acres of land, of which about 1 million acres are cleared, and also have major highways, railroads, cities, industries, utilities, agricultural areas and many other extensive developments.

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

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

We therefore appeal to this Committee on Local and Parochial Government to leave the function of the levee board in local hands, rather than be

March 20, 1973

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

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

In 1950, the legislative leaders from our area sought to rectify this critical situation but they found that under our constitution as written the legislature did not have authority to create an agency to fulfill this dire need of re-inserting fresh

water into Bayou Lafourche from the Mississippi River. They found that the proposed agency would not be a drainage district. It would not be a levee district. Thus it would be a unique agency, the only one in the state which would have for its purpose the drawing of water from the Mississippi River and inserting it into a stream to provide fresh water to the populated areas along its banks.

Accordingly, in 1950, the foresighted legislators from our area conceived a plan to alleviate this terrible situation. These men were Messrs. Leonard J. Toups, who now serves as Chairman of our Board, and Paul Dufrene, both of Lafourche Parish, Clarence Savoie, of Assumption Parish and Velpeaux Smith, of Ascension Parish. They authored House Bill No. 223 of 1950 proposing a constitutional amendment to authorize the creation of the Bayou Lafourche Fresh Water District, a subdivision of the State of Louisiana for the purpose of furnishing fresh water from the Mississippi River to the incorporated villages, towns and cities along the banks of Bayou Lafourche. The resolution was adopted and the amendment was approved by the people of the State of Louisiana and is now Article 15, Section 3 of the present Constitution. As thus authorized, the State Legislature by Act 113 of 1950 created the agency known as Bayou Lafourche Fresh Water District. The constitutional amendment specified that the district would be governed by a Board of Commissioners, seven (7) in number, one (1) from Ascension Parish, two (2) from Assumption Parish and four (4) from Lafourche Parish, based on population of each parish, to be selected and appointed by the Police Juries of the respective parishes for terms of four (4) years from the effective date of the act creating the district.

As we appreciate the issue before this committee the question arises as to whether the Bayou Lafourche Fresh Water District, perhaps along with many other special districts, should

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be removed from the Constitution and left to be dealt with purely by the Legislature. Gentlemen, we would be naive were we to deny that there exists a mood in this state to streamline our Constitution and to remove therefrom provisions relating to special districts such as the Bayou Lafourche Fresh Water District. The members of our Board recognize this fact. On the other hand the instinct for survival is the strongest instinct known to man. Our Board wants to survive. I have been instructed to summarize the history of the operations of the Board and to invite you to study its accomplishments. Since its creation in 1950, the Board has been governed by seven (7) men and throughout this period, it has received the service of high minded, civic leaders who were willing to sacrifice their time and to offer their leadership to accomplish the important goals envisioned by the authors of the project. There is not a private corporation which could employ a Board of Directors with men as competent as have volunteered to serve

on this Board, without the payment of extremely high compensation. Our Board members serve virtually without pay.

Through it's pumps at the Walter S. Leeman Pumping Station in Donaldsonville the District can insert 260,000 million gallons of water a day into Bayou Lafourche. At certain times of the year when the river is at 17 1/2' mean sea level at Donaldsonville, these pumps can siphon into Bayou Lafourche at approximately 50% of capacity or 130 million gallons of water per day. This adequate flow of water through the entire length of Bayou Lafourche in addition to providing potable fresh water for the residents, serves the additional purpose of holding back salt water in Bayou Lafourche which is beginning to intrude northward up to a

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point near Lockport, Louisiana. It is anticipated that within two years, our district will be serving approximately 250 thousand people with fresh water. Last year a forty year contract was executed between the Bayou Lafourche Fresh Water District and the Terrebonne Water District No. 1 to provide fresh water to many areas of Terrebonne Parish. In the not too distant future, it is highly likely that the whole of Terrebonne Parish, including the City of Houma, will be dependant upon this source of water because of the salt water intrusion problem.

Thus it can be seen how very vital is the function served by this important state subdivision. As a result of the marvelous record accomplished by this Board over its history since 1950 in keeping free of political scandal and corruption and in view of its importance to the people it serves, our Board wishes to emphasize that the continued existence of the agency in its present form is of paramount importance to our people. If this convention should make one single exception and provide continued constitutional security to any previously existing constitutional board or agency, we humbly submit that the 250 thousand people depending upon fresh water from Bayou Lafourche would be entitled to the exact same consideration. Our preference would be to be left alone as we have been in the past, clothed in constitutional security, to continue our dedicated service to our people. We recognize, however, that a possible constitutional crisis is upon us and that a practical solution should be sought to avoid this crisis. Therefore, if it is the considered judgment of this committee that a recommendation should be made to the convention as a whole that all special and local districts should be removed from the Constitution,

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then and in that event, the Board of Commissioners of the Bayou Lafourche Fresh Water District would abide in the judgment of the Committee. It is the strong recommendation of our Board, however, that in such event, a provision be inserted in the proposed Constitution to the effect that any legislation seeking to change the existence, configuration, membership or status of a presently existing constitutional board or agency, should be only by 2/3 vote of both houses of

the legislature. This, our Board feels, would permit the continued existence of the Bayou Lafourche Fresh Water District as presently constituted and would provide a safeguard against abolition or emasculation by a simple majority of the members of the legislature. It is submitted that this proposal could be incorporated into the new constitution by a simple reference and would be compatible with the expressed desires to have a streamlined basic organic law.

Respectfully Submitted:

LEONARD J. TOUPS, CHAIRMAN  
BOARD OF COMMISSIONERS,  
BAYOU LAFOURCHE FRESH WATER DISTRICT  
AND  
CHARLES J. LE BLANC, ATTORNEY

RECREATION AND PARK COMMISSION  
FOR THE PARISH OF EAST BATON ROUGE

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

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

The Commission believes this is most important because:

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

Report to Committee on Local  
and Parochial Government  
Page 2

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

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

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MINUTES

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

Held pursuant to notice mailed by the Secretary of  
the Convention on April 2, 1973

Natural Resources Building, Mineral

Board Hearing Room, Baton Rouge, Louisiana

April 9, 1973, 10:00 a.m.

April 10, 1973, 9:00 a.m.

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

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

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

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

The chairman introduced Mr. John W. Cox, a member of the  
law firm of Cox, Huppenbauer, Michaelis & Osborne, New  
Orleans. Mr. Cox stated that a strong effort must be under-  
taken "to do what is right for the state, not what is  
necessary to protect some particular board member." He  
asked the committee to grant power to, and impose, the  
necessary obligations on the elected governmental officials  
to permit them to perform their job. Mr. Cox explained there  
is no distinction in being in the constitution or in the  
statutes concerning the issuing of bonds. He requested an  
opportunity to review the committee's draft primarily to

consider the effect of its adoption. He stated that there  
are certain boards that must be protected; however, if the  
committee permits "this type of dynasty (such as the Board of  
Liquidation) to be placed in the constitution, I will question  
whether this convention has actually served the interest of  
the citizens of this state."

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

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

The chairman recognized Mr. Leo Sabatine, associated  
with the law firm of Wood, Dawson, Love and Sabatine, New  
York. Mr. Sabatine explained that reference in the consti-  
tution to a local governmental unit does not give it a better  
position for selling bonds. He suggested that the committee  
submit a questionnaire to the rating agencies to see what  
effect a constitutional change would have. Mr. Sabatine

stated outstanding bonds of the New Orleans Dock Board  
and the New Orleans Levee Board would not be affected if  
these agencies are removed from the constitution.

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

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

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

The committee recessed at 4:00 p.m.

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

Tuesday, April 10, 1973.

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

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

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

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

Mr. Jerre Dyson, planning director, Louisiana Department of Public Works, was introduced, and gave a brief resume of events leading up to the planning activities under the jurisdiction of the Department of Public Works. Mr. Dyson explained

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that the department took full advantage of the federally funded local assistance planning program, and offers this program to all areas of the state. He stated that the Regional Planning Commission must remain flexible. Mr. Dyson concurred with Mr. Kean's suggestion of a broad approach to intergovernmental cooperation in the new constitution.

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

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

The chairman then recognized Mr. Jackson Phillips, vice president and director, Municipal Bond Research Division, Moody's Investors Service, Inc., New York, New York. Mr. Phillips outlined his views with respect to bond rating to

the committee, and his comments were presented to the committee in written form, a copy of which is attached to these minutes.

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

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

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

The chairman assigned members to four additional subcommittees as follows:

1. Subcommittee on Special Districts, Transportation, Ports, and Harbors

Terry Reeves, Chairman  
Frank Ullo  
Harvey Cannon  
Ethan Chatelain  
George Dewey Hayes

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2. Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts

Joseph Conino, Chairman  
H. M. Fowler  
V. C. Shannon  
J. E. Stephenson  
Pete Heine

3. Subcommittee on Affairs of the City of New Orleans

Johnny Jackson, Jr., Chairman  
Mary Zervigon  
Joseph Giarrusso  
Dorothy Mae Taylor

4. Subcommittee on Finance

Joseph Toomy, Chairman  
Walter Lanier, Jr.  
Ethan Chatelain  
I. Jackson Burson  
R. Gordon Kean  
Mary Zervigon

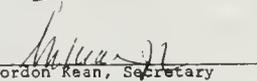
The chairman scheduled various members to attend the Composite Committee hearings to insure committee representation if the chairman could not be present.

Following discussion, it was decided the committee would meet as a whole and break into the various subcommittees

at the next scheduled meetings on April twenty-seventh and April twenty-eighth.

The committee adjourned at 4:00 p.m.

  
Chahin O. Perez, Chairman

  
R. Gordon Kean, Secretary

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### MEMORANDUM

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

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

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

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

"The full faith and credit of every [all] political subdivision[s] are hereby pledged to the payment of principal of and interest on all bonds issued by it that are. . ."

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

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

4. The last line of Section 20 might read:

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

5. Section 21 will doubtless be changed to comply with the United States Supreme Court decisions in the Cirriano and Phoenix cases to eliminate the taxpayer requirement for voting

in bond elections. In view of the 1973 decisions of that Court involving watershed improvement districts and irrigation districts, it might be possible to add, to the end of the first sentence of Section 21, language somewhat as follows:

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

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

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

If bonds being refunded cannot be immediately retired under their

terms, the proceeds of the refunding bonds are generally deposited in escrow and invested in interest bearing obligations of the United States of America or its agencies. The amount initially invested, and consequently the amount of refunding bonds which must be issued, can be diminished if, in determining how much money must be escrowed, the issuer can include interest to be received during the period of the escrow.

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

"Bonds which are payable wholly or in part [solely] from and. . ."

If the debt limit imposed by this Section is to be fully effective, it should not permit an ad valorem tax bond issue to be excluded from the operation of the debt limit simply by making it payable from some source in addition to ad valorem taxes, especially if there is no requirement that such other source be sufficient to pay all or any part of the bonds. In cases where the revenues of a utility

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will be sufficient to pay only part of the cost of financing that utility, revenue bonds, which are not subject to the debt limit, could be issued and their proceeds supplemented as necessary with the proceeds of ad valorem tax bonds.

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

9. As drafted Section 22A bases the debt limit on the assessed valuation rather than the true value of taxable property within the issuing body. If all assessments in the State are to be raised to full cash value, this will result in a substantial increase in debt incurring power. Some states base their debt limit on the reasonable fair cash value of the taxable property and, where property is assessed at a fraction of reasonable fair cash value pursuant to statutory requirement, the debt limit is computed on the basis of the higher value. Board of Education of Rich County School District v. Passey, 245 P2d 1078 (Utah, 1952). This helps to prevent the loss of debt incurring power which occurs when assessed values fall below reasonable fair cash value.

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

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

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

12. Section 24C should affirmatively show that the debt limit will not be applicable to general obligation special assessment bonds if the assessments in anticipation of which the

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bonds are issued, with interest, will upon collection when due, be sufficient to pay principal of and interest on such bonds.

13. The fourth line of Section 26 might read:

"facility or combination thereof [public utility]. The bonds may but need not be secured by mortgage. . ."

A court might consider that a "public utility" did not include

certain facilities which are often financed by revenue bonds, such as hospitals, airports, port facilities and parking facilities. It is often desirable to finance facilities on a combined utility basis, particularly water and sewer facilities. Some Louisiana cities, which have outstanding revenue bonds secured by revenues from two or more sources, could have difficulty in further financing if this method were not allowed.

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

"vide funds for the establishment and furnishing [erection and maintenance] of industrial. . ."

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

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

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

"agricultural products, or to provide property, movable, immovable or both, for pollution control facilities, to issue bonds and use the funds. . ."

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

18. As to whether constitutional status would give a Louisiana local government unit a better position on the bond market, the views of the rating agencies (primarily Moody's and Standard & Poor's) and some of the dealers who buy Louisiana bonds should be obtained. It is the personal view of the writer that a constitutional requirement for the levy of taxes to pay general obligation bonds would probably not make much difference in selling the normal bond issue under present market conditions, but in time of depression or other circumstances when purchasers feel particularly

concerned that taxes might not be levied in sufficient amounts, the provision would be valuable. Although the Rodriguez case (in which the United States Supreme Court was asked to hold that the School District method of financing public education violates the Equal Protection Clause of the 14th Amendment to the United States Constitution) has been decided by the United States Supreme Court in favor of upholding the school district system, it may be that the social pressures which generated such litigation will be expressed in attempts to obtain legislative modification of that system. A fear that such legislation might attempt to substitute some other source of payment than ad valorem taxes for school bonds, and leave

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the bondholder with a bond of less value than he had bargained for could damage the marketability of school bonds; such a fear did

in fact damage the marketability of school bonds throughout the country in the latter part of 1971. For this reason, I do recommend that the constitution contain a provision such as Section 20.

Respectfully submitted,

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

MWM:mcm  
4-5-73

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

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

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

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

My views pertain solely to credit factors involved in debt issuance. By this I mean to separate out "market factors" which relate to judgments having to do with the marketing of bonds. An interest rate on a bond, in other words, may be influenced by credit factors and by market factors, among others. A credit factor would be the burden of the debt on a community-- a heavy burden being one which would definitely be harmful to the community's ability to pay, and hence bring a penalty in the form of a higher interest rate. A market factor, on the other hand, might be the volume of bonds outstanding--a large volume by a single issuer might impose only a moderate debt burden related to the resources but still be penalized because of the market's inability to absorb all the bonds easily. (California and New York City have in the past, paid higher in the market,

for example, because of the sheer volume of their bonds and the limitations on bondholders from holding too high a percentage of any one issuer--this did not relate to their ability to pay this debt). Other examples of market factors are: (1) a name--"Such and such state (often in New England) has always paid its bonds promptly and on time"; (2) association with a highly regarded firm--"Corp. X is a mainstay of the American economy and therefore its participation in any old way assures success." These devices may be helpful in selling bonds; but per se they are not credit factors and unless another connection is established, they do not affect the ability of the issuer to pay. I am concerned only about the latter--credit factors and their bearing on interest rates.

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

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

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

1. The pledge and protection of an adequate tax base for the payment of bonds. The use of the general obligation backed by unlimited taxing power (a healthy tax base) is still the most highly regarded pledge that can be made by local governments. Most important is that this base not be chipped away, decimated, or weakened by special treatment--by exemptions and subsidies which could be granted more economically by other means. In other words--keep tax rolls healthy. Limit the base and credit deteriorates because ability to pay is lessened.
2. Avoidance of overburdening the tax base with debt that is uneconomic--that does not serve to promote the tax base and the will and needs of the people. Most states try to do this by limiting the debt incurring power of themselves and their local units; but a legal limitation is not always the same thing as an economic limitation--the latter is a credit factor, the former more often a political factor.

Let me give an example. From the standpoint of a city--its debt may be limited to 10% of assessed valuation, (this should be equalized full value reflecting market value) a

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county to 5%, and a school district coterminous with the city to 5%. This might be politically acceptable. But, suppose the city is economically at 7% with a stable tax base, and the school district is at 3%. Now the county begins to expand as the suburbs grow--and its capital needs expand--and the county begins to borrow. Every additional issue of county bonds adds to the city's debt burden. City officials have cut their borrowing, but county borrowing is now pushing the burden on the stable city tax base up. City officials are perplexed that their credit suffers--but credit is concerned with the total of the city's 7%, the school district's 3%--and now the county's 2%, 3%, 4%, 5% may now be too low for the county anyway. (At 14% of full value, investors become alarmed--not at the county's 4%, but the city's 14%).

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

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

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

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

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

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

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#### RESOLUTIONS

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

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

- (2) a provision similar to the Fordham or American Municipal Association plan permitting any parish, municipality, or other local unit of government to exercise any power or perform any function not specifically denied them by this Constitution or general law or by their Charters; and
- (3) a clause allowing for agreements among political subdivisions; and to encourage regional cooperations (permissive not mandatory); and
- (4) a permissive provision for consolidation merger, or dissolution of municipalities, parishes and/or functions therein, with safeguards provided.

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

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

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

  
Chalin O. Perez, Chairman  
Committee on Local and Parochial  
Government

MINUTES

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

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

State Capitol, Baton Rouge, Louisiana

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

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

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

Present: I. Jackson Burson      Absent: Chalin Perez  
Joseph Conino                      R. Gordon Kean  
Johnny Jackson                      H. M. Fowler  
Terry Reeves                          J. E. Stephenson  
Harvey W. Cannon, Jr.  
Ethan Chatelain  
Norman Heine  
Edward D'Gerolamo  
Joseph Giarrusso, Sr.  
George Dewey Hayes  
Walter Lanier, Jr.  
V. C. Shannon  
Dorothy Mae Taylor  
Joseph Toomy  
Frank Ullo  
Mary Zervigon

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

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

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

Saturday, April 28, 1973

Present: Chalin Perez                      Absent: Johnny Jackson, Jr.  
I. Jackson Burson                      H. M. Fowler  
Joseph Conino                          Joseph Giarrusso, Sr.  
R. Gordon Kean                          Dorothy Mae Taylor  
Terry Reeves  
Harvey Cannon, Jr.  
Ethan Chatelain  
Norman Heine  
Edward D'Gerolamo

NOTES

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

MINUTES

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

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

Natural Resources Building

Conservation Auditorium

Baton Rouge, Louisiana

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

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

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

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

Mrs. A. H. (Elizabeth) Rack, president of the League of Women Voters of New Orleans, was introduced. A copy of Mrs. Rack's presentation is attached hereto and made a part of these minutes.

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

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

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

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

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

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

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

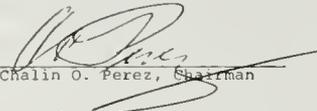
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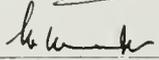
Mr. Burson requested that he be allowed to distribute the proposals prepared by the Subcommittee on General Provisions to members of the full committee, and the chairman so ordered.

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

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

The committee recessed at 4:00 p.m.

  
Chalin O. Perez, Chairman

  
R. Gordon Kean, Secretary

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THE LEAGUE OF WOMEN VOTERS OF NEW ORLEANS  
1636 TOLEDOANO STREET, SUITE 301  
NEW ORLEANS, LOUISIANA 70115 895-2062

STATEMENT BEFORE COMMITTEE ON LOCAL  
AND PAROCHIAL GOVERNMENT CC '73

Baton Rouge, La. May 14, 1973

Chairman Perez, members of the committee, we appreciate the opportunity to present the views of the League of Women Voters of New Orleans on the provisions which should be included in an article on local and parochial government in a new constitution. League members have been active in the study of local government since 1947.

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

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

A broad home rule charter provision for parishes, municipalities, and other governmental units. In granting a home rule charter, inclusion of detailed provisions was undoubtedly necessary in 1950 to insure support of the voters. Our state was considered to be rural and the legislature was slow to respond to the needs of municipalities. In 1921 the Convention felt it was necessary for the good of all the state to make an exception of New Orleans and thus retain control over the wealth and political power in the only large city at that time. Even New Orleans itself asked for special



The Mississippi River Bridge Authority has been delayed in its new bridge location efforts by the 1969 and 1970 Federal Environmental Laws. The Mississippi River Bridge

Honorable Delegates to the  
Constitutional Convention of 1973  
April 18, 1973

Page 4

is a planning participant in the Unified Transportation Study now in progress to solve the bridge location problem in the New Orleans area.

It is in the best public interest to legally preserve the toll financing method in the new Constitution to aid in the solution of the river crossing problem in the New Orleans area. This is progressing under the Governor's leadership through the Unified Work Program for the Planning of Transportation in the New Orleans area.

From a purely legal view, the right of the holders of the \$41,000,000 outstanding Mississippi River Bridge Authority Bonds, secured by the Bond Indenture are legally protected by the provisions of the United States Constitution, Article I, Section 10, Clause 1, specifically stating "no State shall . . . pass any . . . law impairing the obligation of contracts . . ."

There are a number of Federal and State cases clearly holding that a State cannot impair the obligations of contracts by the adoption of a new State Constitution or the amendment of any existing State Constitution to the same extent that a State cannot impair the obligation of contracts by the passing of or the amendment of a Statute. (See Legal Memorandum furnishing the authorities on this point annexed hereto).

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

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

Members of this convention are faced with the legal mandate provided in the United States Constitution, which forces the protection of the Bond Indenture, a pre-existing contractual obligation running in favor of the holders of the presently outstanding \$41,000,000 of bonds owed by The Mississippi River Bridge Authority.

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

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

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by the amendment of Article IV, Section 12 of the Constitution. This provision has, through the years, required the great number of Constitutional Amendments authorizing bond issues to go before the public for a Statewide vote. The public became so disgusted with voting on these numerous complex Constitutional Amendments that they did not understand, that they finally rebelled and voted against all Constitutional Amendments. This Article VI, Section 12, has been the cause of the long lines at the polls when fifty and sixty amendments were on the ballot along with the election of key candidates. It is the belief of some constitutional scholars and financial bonders, experts and law professors and, I believe, one Justice of the Supreme Court, that this can be accomplished by embodying, not in the new Constitution, but in special Statutes, certain of the presently lengthy matters, recognizing these rights in some umbrella provisions of the new Constitution and then requiring in the new Constitution a two-thirds vote of the Legislators, without a referendum to the people, in order to amend these Legislative provisions.

We are sure you have heard of this idea from many others more learned on the subject than we are. We simply suggest, in an effort to aid in the solution of this problem that if Article IV, Section 12 of the Constitution is amended to read as we will set forth hereinafter, that a majority of the complex section of the Constitution can then be eliminated from the body of the new Constitution, and be kept permanently out of it when it is amended. This would include the one pertaining to the Mississippi River Bridge Authority, Article VI, Section 22 (4), which is long and takes up in small print one full printed page and one quarter of the next page in West's Volume of the Constitution.

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

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

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

In any event, the Bridge Authority urges you and your staff to preserve the rights of the bond holders of the presently existing \$41,000,000 of bonds secured by the contractual Bond Indenture on the properties of the Bridge Authority

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and to preserve the dedication of the license plate monies in Highway Fund '72.

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

Respectfully submitted,

DUKE & PORTERIE

LOUIS D. PORTERIE

LBP/rhm

Attachment

PS Since dictating this letter the newspaper has informed us that on April 19th the Convention Coordinating Committee adopted a concept of setting certain matters which might otherwise be included in a new Constitution in a new special statutory class. Under this concept such matters pertaining to agencies and jurisdictions, which the convention may feel deserve special protection, may be set up as statutes which can be amended, altered or repealed only by two-thirds or three-fourths of the vote, or other designated super majority, of both houses of the legislature.

#### MEMORANDUM

ISSUE: Can a legislative body of the State enact new law

which would impair existing contracts, to-wit bonds issued by a State agency?

The impairment of obligations is protected by the United States Constitution from State action; Article I, Section 10, Clause 1, of the United States Constitution states,

"No State shall . . . pass any Bill of Attainder, ex post facto law, or law impairing the obligation of contracts... (U.S.C.A. United States Constitution) (Emphasis added)

Once a State enters into a contract, as in this case, a bonding contract, it has the same obligations as an individual. It must live up to those contractual obligations. Once a State authorizes its agency to enter into the contract, it can and then repeal the Statute giving authorization and relieve itself of the contractual obligation by repealing the authorization. (Johnson v. U.S., 1948, 179 F. Supp. 208.)

When a sovereign State enters into a contract of bonding with an individual, it assumes to be bound, in all particulars, as an individual. (Morton v. Comptroller General, 1973, 4 S.W.2d South Carolina). By the same token, holders of securities issued by the State under statutory authority are protected against subsequent legislation which will impair the contractual obligations evidenced by the securities. 16 C.J.S., §231, p. 1810.

Therefore, the Constitution of the United States protects an individual from legislative action which would impair a contract whereby the State borrows money from an individual.

The acts or orders of administrative or executive boards or officers of the State are not laws within the meaning of the Constitutional provision prohibiting the laws impairing the obligations of contracts, but the orders of State commissions or other instrumentalities exercising State delegated authority, legislative in character, are such laws. 16 C.J.S. §278, p. 1270.

This means that a State acting through a legislatively delegated authority, such as a Board or Commission, is bound by the acts of that Board with regard to any bonding contracts, and can not issue subsequent legislation which would impair that contract. Also, a State Constitutional provision is also a law within the meaning of the Federal Constitution prohibiting laws impairing the Constitutional obligations. 16 C.J.S. §276, p. 1277.

In essence this means that the great body of law developed from the United States Constitution is that a State through legislative acts can not issue new legislation which would detrimentally affect the bond holders existing under a previous legislative act. Bier v. McGehee, (1893) 13 S. Ct. 580, 148 U.S. 137, 37 Law Ed. 397, as applied to Louisiana in that Louisiana v. Jewel, 2 S. Ct. 128, 107 U.S. 711, 27 Law Ed. 448 (1883), it was held that State legislative body could not impair previous bond holders' rights as to State bonds. This is still the law to date and the Federal Constitution protects the bond holders from any impairment under a contractual obligation.



**COUNCIL FOR A NEW STATE CONSTITUTION**  
6641 BELLAIRE DRIVE  
NEW ORLEANS, LA 70112

#### RESOLUTION

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

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



**COUNCIL FOR A NEW STATE CONSTITUTION**  
6641 BELLAIRE DRIVE  
NEW ORLEANS, LA 70112

#### RESOLUTION

The Local and Parochial Committee of the Council For A New

State Constitution urges that the CNSC adopt the following position:

That the new Constitution contain:

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

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

A clause

A clause allowing for agreements among political subdivisions

The Phrase

or with the state, or another state, or the United States

To read in full

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



**COUNCIL FOR A NEW STATE CONSTITUTION**  
6641 BELLAIRE DRIVE  
NEW ORLEANS, LA 70112

#### RESOLUTIONS

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

- (1) a broad Home Rule Charter provision with enumerated authority and power (similar to but not necessarily limited to those in the Charter of Baton Rouge); and these provisions be inviolate and unalterable without the voting consent of those governed by said Charter; and
- (2) a provision similar to the Fordham or American Municipal Association plan permitting any parish, municipality, or other local unit of government to exercise any power or perform any function not specifically denied them by this Constitution or general law or by their Charters; and
- (3) a clause allowing for agreements among political subdivisions.

New Orleans, Louisiana  
May 12, 1973

Hon. Chalin Perez, Chairman  
Committee on Local and Parochial Government  
Constitutional Convention - 73  
P O Box 17740A  
Baton Rouge, La. 70803

Dear Mr. Perez:

Our organizations are vitally interested in the

survival and preservation of the Vieux Carre. Because of its importance the highest law of the State is required. We thoroughly support and urge constitutional authority for the Vieux Carre.

The people of the State of Louisiana in 1936 authorized the Vieux Carre Commission and described the area's boundaries. As a result, the French Quarter is the best preserved large historic district in the nation. Louisiana has been a marvel and a model for historic preservation. Removal from the Constitution would be an act of regression, not progress.

We offer ourselves to appear before your committee at any time you feel we can be helpful.

Please heed our pleas for the Vieux Carre.

Eplanade Avenue Improvement Assn.

Patio Planters

*[Signature]*

*[Signature]*

French Quarter Residents Assn.

Vieux Carre Action Assn.

*[Signature]*

*[Signature]*

Louisiana Council for the Vieux Carre

Vieux Carre Property Owners and Associates, Inc.

*[Signature]*

*[Signature]*

VIEUX CARRE PROPERTY OWNERS AND ASSOCIATES, INC.

P. O. BOX 2485 CUSTOM HOUSE STATION

NEW ORLEANS, LA. 70116

Upon notice duly mailed to all 860 members, a meeting of the Vieux Carre Property Owners and Associates Inc. was held Wednesday April 25, 1973 at the Presbytere. The following resolution was unanimously adopted, without single dissent.

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

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

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

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

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

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

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

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

*[Signature]*  
President

*[Signature]*  
Secretary

Louisiana Council for the Vieux Carre

New Orleans, Louisiana

May 14, 1973.

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

Dear Mr. Perez:

The Louisiana Council for the Vieux Carre, which is composed of 18 patriotic, civic and preservationist organizations, is deeply concerned about the retention of the constitutional status of the Vieux Carre Commission. The Council feels that it is imperative to preserve this commission as a part of the new constitution in order to insure the continued orderly restoration and preservation of the Vieux Carre. Without this safeguard to the preservation of this historic section of the City of New Orleans, for the people of Louisiana and the nation, there will be no real deterrent to the gradual destruction of the Vieux Carre, and the promotion of special interests that are a constant threat.

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

Altrusa Club; Athenee Louisianais; Business and Professional Women's Club; Chalmette Park Association; Christian Women's Exchange; Colonial Dames of the XVII Century; Colonial Dames of America in Louisiana; Friends of the Cabildo; James Town Society; Le Petit Salon; Louisiana Colonialists; Louisiana Landmarks Society; Old Ursuline Convent Guild; Patio Planters; Spring Fiesta; U.S. Daughters of 1812; Vieux Carre Property Owners and Associates and the Vieux Carre Action Association.

The combined membership of these organizations is approximately 8000 persons interested in preserving the Vieux Carre.

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

Sincerely yours,  
*[Signature]*  
Mrs. August W. Wising, President,  
Louisiana Council for the Vieux Carre.

HOME RULE

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

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

BY: *[Signature]*  
HUGH F. WARD

MAY IT PLEASE THE COMMITTEE:

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

We have no hesitancy in informing this committee that the firemen employed by cities and parishes of

this state have a real and vital interest in the manner as to which "Home Rule" is finally resolved by this Constitutional Convention.

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

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

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

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

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

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

1.

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

We pause here to note that this provision of

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

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

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

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

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Isn't this the same principle so long criticized which has people all over the state voting on a Constitutional amendment affecting only the New Orleans Port Commission? Doesn't it likewise make sense that where legislation is needed state wide on general problems of the state as a whole that the Legislature should be empowered to enact paramount laws of general application? Doesn't it make sense that this is the reason for the

very existence of the Legislature - to make laws of general application for the state as a whole? Isn't one of the basic missions of the Convention to achieve uniformity in state law? Finally isn't this what "Home Rule" really means?

The general rule throughout the United States concerning "Home Rule" is that the "general" laws enacted by the state must remain paramount. Discussing this general rule and citing much judicial authority in support thereof is an Article in 56 American Jurisprudence 2nd. and I quote from Sec. 128 thereof which states:

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

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

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

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

2.

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

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

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

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

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

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Louisiana Constitution, Article 3 Sec. 1 provides that:

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

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

3.

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

The sub-committee has recommended that these remain in effect. Of course, from a purist standpoint it would be preferable if all "Home Rule" local governments were created from the same source so that the various powers and duties would be the

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same. However, we realize that this is probably unrealistic. Once again it is suggested that now is the proper time to spell out the proper balance of power between the state and local governments insofar as these cities and parishes which already have "Home Rule" is concerned.

We have already made our point to the effect

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

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State-Local Government relationship in the Constitution itself.

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

4.

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

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

First of all somewhere along the line it must be acknowledged that the Legislature of this state is not some Federal bureaucracy which has been sent from Washington to interfere in the affairs of the people of this state. The Legislature is the voice of the people of Louisiana duly elected by the

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people and charged with the duty of enacting laws applying to all citizens equally. It must at the same time be recognized that the governing authorities of cities and parishes of this state do not constitute a private corporation whereby they may, by refusal

to act, deny to the people of a parish or city basic standards of health, safety and welfare which the people of the state as a whole, speaking through the Legislature have decreed all citizens of Louisiana entitled. Can it seriously be believed that the people of this state are going to approve this proposed provision which will allow the governing authority of a specific city or parish to isolate all its citizens from benefits decreed necessary for all people of Louisiana by the State Legislature?

The evils of the provision under discussion are readily apparent. Suppose the people of all the state, speaking through the Legislature, decree that basic protection for the safety of all Louisianians require a certain number of officers for law enforcement based upon population. The governing authority of the City of Baton Rouge, being responsive to the people who elected them, implement such a law through increased expenditures of

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local funds. Another city, not properly responsive, may ignore the legislation entirely, thereby denying that city's people of a basic necessary service. Is this sort of result logical? Is this the Proper manner of going about the business of all citizens of Louisiana? Is this really logical when the proper State-Local Government relationship is considered? We think not.

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

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

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

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#### CONCLUSION

Any Constitutional provision dealing with "Home Rule" must start with the basic considerations

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

Once the proper relationship between state and local governments is decided the solution is not difficult; We have taken the liberty of preparing a proposal based upon the principles here set out and

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submit same herewith as "Exhibit D."

Respectfully submitted,

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

BY:

*Hugh T. Ward*  
HUGH T. WARD

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NOTES

Exhibits cited herein have been omitted. A copy of the "proposal" was not attached to the report.

NOTES

Coordinating Committee Staff Memorandum No. 3 relative committee jurisdiction omitted here is reproduced in Vol. XIV.

MINUTES

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

Held pursuant to notice mailed by the Secretary of the Convention on May 25, 1973

Natural Resources Building, Conservation

Auditorium, Baton Rouge, Louisiana

Friday, June 1, 1973, 10:00 a.m.

Saturday, June 2, 1973, 9:00 a.m.

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

Present: Chalin O. Perez	Absent: I. Jackson Burson
Joseph Conino	Edward D'Gerolamo
Johnny Jackson	H. M. Fowler
Terry Reeves	Joseph Giarrusso, Sr.
R. Gordon Kean	J. E. Stephenson
Harvey Cannon, Jr.	Dorothy Mae Taylor
Ethan Chatelain	
Mayor Pete Heine	
George Dewey Hayes	
Walter Lanier, Jr.	
V. C. Shannon	
Joseph F. Toomy	
Frank Ullo	
Mary Zervigon	

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

Chairman Perez explained that a letter was received from the six members of the committee who are legislators requesting the committee not to consider controversial sections until a later date. It was decided that Sections 6, 7, 8, and 9 of Draft "A" would not be discussed at the meetings. A copy of Draft "A" is attached and made a part of these minutes.

Mr. Chatelain offered a motion that the minutes of the meetings of April twenty-seventh and twenty-eighth and May fourteenth of the full committee be approved. The motion carried without objection.

In the absence of Mr. Burson, chairman of the Subcommittee on General Provisions, the chairman asked Mr. Kean to proceed with the draft.

Section 1. Mr. Chatelain offered a motion to delete the word "and" on line 11, page 1, and the word "government" on line 12; however, he later withdrew his motion. Mr. Kean then moved that Section 1 be adopted, and with no objections, the chairman so ordered.

Section 2. Mr. Toomy offered a motion to insert the phrase "under the limitations hereinafter provided." after the word "parishes" on line 34 of page 1. Hearing no objections, the motion was approved. Mr. Kean moved that Section 2 be adopted as amended, and the chairman so ordered.

Section 3. Mr. Lanier moved to delete the word "two-thirds" on line 20, page 2, and insert the word "majority". After considerable discussion, Mr. Conino moved the matter be tabled. A roll call vote was taken on Mr. Conino's motion.

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

There being 7 yeas and 6 nays, the motion carried.

Section 4. Mr. Reeves moved to adopt Section 4 as written. The motion carried without objection.

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Section 5. Mr. Toomy offered an amendment to change the title to "Change of Parish Seat." Mr. Reeves offered a

substitute motion to change the title to "Relocation of Parish Seat". However, both motions were withdrawn, and Mr. Kean's motion to amend the title to "Change of Location of Parish Seat" carried without objection. Mr. Reeves then moved the adoption of Section 5 as amended, and the motion carried without objection.

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

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

Yeas: Johnny Jackson  
Terry Reeves

Nays: Joseph Conino  
R. Gordon Kean  
Harvey Cannon, Jr.  
Ethan Chatelain  
Mayor Pete Heine  
George Dewey Hayes  
Walter Lanier, Jr.  
V. C. Shannon  
Joseph F. Toomy  
Frank Ullo  
Mary Zervigon

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

After considerable discussion, the chairman suggested that the first sentence of Section 10 read as follows: "When

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the legislature appropriates funds to one or more political subdivisions and the legislature does not specify the purpose for which such funds shall be expended, or the amounts to be expended therefor, the expenditure of such funds shall be determined solely by the governing authority of the political subdivision or political subdivisions to which the funds are appropriated." Mr. Shannon moved to adopt the chairman's suggestion, and there were no objections.

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

Section 11. Mr. Lanier moved to delete the words "to be submitted to the electorate therefor" on line 13, page 9, but later withdrew his motion. Mr. Kean offered a motion to establish subsection (B) beginning with the sentence "No such..." on line 31, page 9, and this subsection to read as follows: "(B) No such agency shall have authority to levy a tax, impose any charge, or issue bonds unless the proposal therefor is first approved by the governing authority of the political subdivision; provided, however, that after such original approval is granted no further approval shall be required." He then suggested that the original subsection (B) be changed to (C). The motion carried without objection.

Mrs. Zervigon moved to delete the words "in whole or in part" on line 26, page 9. Mr. Kean offered a substitute motion to insert the words "or veto or reduce line items;"

in place of the words "in whole or in part". Mr. Kean's substitute motion was adopted without objection.

4

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

Yeas: Joseph Conino  
Joseph Toomy

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

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

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

Mr. Toomy then offered a motion to delete the words "of the proposition" on line 11, page 10. With no objections, the chairman so ordered.

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

Section 13. Mr. Reeves moved to delete the word "officer"

5

on line 24, page 11, but later withdrew his motion. He then offered a motion to insert the words "from single member districts" after the word "authorities" on line 26, page 11. A roll call vote was taken on Mr. Reeves' motion:

Yeas: Terry Reeves  
George Dewey Hayes

Nays: Joseph Conino  
R. Gordon Kean  
Harvey Cannon, Jr.  
Mayor Pete Heine  
Walter Lanier, Jr.  
V. C. Shannon  
Frank Ullo  
Mary Zervigon

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

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

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

Section 14(A). The chairman offered a suggestion to delete the words "city or parish school board," on line 7, page 12; "or by the" on line 10; and "city or parish school

board," on line 11. His amendment offered to insert the words "vacancies in the membership of city or parish school board shall be filled by appointment by the remaining members thereof" after the word "subdivision" on line 13. Mr. Kean moved to adopt the amendment offered by the chairman, and with no objections, the motion carried.

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

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

6

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

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

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

Mr. Conino offered a motion to change the word "Criminal" on line 34, page 12 to "Civil", but later withdrew his motion.

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

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

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

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

7

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

Yeas: Joseph Conino	Nays: Johnny Jackson
R. Gordon Kean	George Dewey Hayes
Harvey Cannon, Jr.	Joseph Toomy
Mayor Pete Heine	Frank Ullo
Walter Lanier, Jr.	Mary Zervigon
V. C. Shannon	

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

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

Yeas: R. Gordon Kean	Nays: Joseph Conino
Mayor Pete Heine	Johnny Jackson
Walter Lanier, Jr.	Harvey Cannon, Jr.
V. C. Shannon	George Dewey Hayes
Mary Zervigon	Joseph Toomy
	Frank Ullo

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

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

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

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

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

Section 17. Mr. Conino moved the adoption of this section as written. The motion carried without objection.

Section 18. Mr. Hayes expressed his opinion that this

8

entire section should be omitted because he feels it refers only to the Vieux Carre Commission. The chairman offered a suggestion to place a semicolon after the word "districts" on line 6, page 15, and insert "may regulate the preservation of" after the word "and" on line 6. Mr. Reeves moved to adopt the chairman's suggestion, and with no objections, the motion carried.

Mr. Kean offered a motion to insert the words "land use regulations and" between the words "enact" and "zoning" on line 4, page 15. With no objections, the motion carried.

A motion was then offered by Mr. Kean to adopt Section 18 as amended. The motion carried without objection.

Section 19. Mr. Reeves moved the adoption of this section. The motion carried without objection.

Section 20. Mr. Toomy offered a motion to delete the words "forms of" and insert "farm or". The motion carried without objection.

Mr. Kean moved to delete the word "funds" on line 12, page 16. Without objection, the motion carried.

A motion was offered by Mr. Kean to adopt Section 20 as amended, and with no objections, the chairman so ordered.

Section 21. Mrs. Zervigon offered a motion to change "7(D)" on line 15, page 16 to "7(E)". Mr. Kean then offered a substitute motion to add a comma after the word "constitution" on line 15, page 17, and delete the phrase "in section 7(D) of this Article". There were no objections to this substitute motion.

9

Mr. Conino then moved to adopt Section 21 as amended. The motion carried without objection.

Section 22. Mr. Kean offered a motion to adopt this section as written. With no objections, the chairman so ordered.

Section 23. Mr. Kean suggested deletion of "Section \_\_\_" and insertion of "this constitution," on line 7, page 19, and the chairman so ordered.

Mrs. Zervigon recommended deletion of the word "qualified" on line 15, page 19, and the chairman so ordered.

Mr. Toomy offered a motion to delay taking action on this section, and a roll call vote was taken:

Yeas: Joseph Conino Johnny Jackson Terry Reeves R. Gordon Kean Harvey Cannon, Jr. George Dewey Hayes V. C. Shannon Joseph Toomy Frank Ullo	Nays: Mayor Pete Heine Walter Lanier, Jr. Mary Zervigon
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There being 9 yeas and 3 nays, the motion carried.

Mr. Jackson requested that the minutes indicate that he would have voted for the motion by Mr. Reeves made while Section 13 was under discussion, relative to providing for single member districts.

The chairman recessed the committee at 4:30 p.m.

Saturday, June 2, 1973, 9:00 a.m.

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

10

Present: Chalin O. Perez I. Jackson Burson Joseph Conino Johnny Jackson Terry Reeves R. Gordon Kean Harvey Cannon, Jr. Ethan Chatelain Mayor Pete Heine George Dewey Hayes Walter Lanier, Jr. V. C. Shannon Joseph Toomy Frank Ullo Mary Zervigon	Absent: Edward D'Gerolamo H. M. Fowler Joseph Giarrusso, Sr. J.E. Stephenson Dorothy Mae Taylor
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The chairman called the meeting to order and the secretary called the roll.

In the temporary absence of Mr. Kean, the chairman asked Mr. Lanier to proceed with the proposed Section 24 of Draft "A".

Section 24. Mr. Lanier offered an amendment to insert the words "referendum, recall," after the word "debt", on line 9, page 20. With no objections, the chairman so ordered.

Mr. Toomy moved to delete the word "a" on line 7, page 20 and insert "location of". The motion carried without objection.

A motion was then offered by Mr. Reeves to adopt Section 24 as amended, and the motion carried without objection.

Section 25. Mr. Reeves moved to delete Section 25 from the committee's consideration because he feels it is not under a local government provision. Mr. Jackson offered a substitute motion to refer this section to the Coordinating Committee for assignment to the appropriate committee. However, Mrs. Zervigon offered an amendment to the substitute motion to delete Section 25 and refer the subject matter to the Coordinating Committee for assignment to the appropriate committee.

11

A roll call vote was taken on the substitute motion.

Yeas: Joseph Conino Johnny Jackson Ethan Chatelain George Dewey Hayes Mary Zervigon	Nays: Terry Reeves R. Gordon Kean Harvey Cannon, Jr. Walter Lanier, Jr. V. C. Shannon Joseph Toomy Frank Ullo Mayor Pete Heine
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There being 5 yeas and 8 nays, the substitute motion failed.

Mr. Lanier then offered a substitute motion to refer the section to the subcommittee for redrafting. Having no objections to the substitute motion, the chairman so ordered.

Section 26. Mr. Reeves suggested that Section 26 be amended to read as follows: "Any political subdivision or governmental entity may exercise any of its powers or perform any of its functions, including the financing thereof, jointly or in cooperation with one or more political subdivisions or governmental entities, either within or without the state, except as the legislature shall provide otherwise by law." However, no action was taken on this recommendation.

Mr. Kean then offered a motion to refer Section 26 to the Subcommittee on General Provisions for further consideration. With no objections, the motion carried.

Section 27. There was considerable discussion on this section, but it was decided that no action would be taken on this section until the committee had finalized a document.

Mr. Conino then offered a motion that Section 14(E) be brought up for reconsideration, and that it read as follows: "The provisions of this section shall apply to all political subdivisions unless otherwise provided by any plan of government including special legislative charters and home

12

rule charters; this section applies only to those affected political subdivisions." However, Mr. Toomy offered a substitute motion to read as follows: "The provisions of this section shall apply to all political subdivisions unless otherwise provided by the home rule charter or the home rule plan of government of the affected political subdivision." The substitute motion carried without objection.

The chairman asked if there were any objections to the adoption of Section 14(E). Hearing no objections, the chairman so ordered.

Mr. Burson moved to reconsider Section 14(A) and to delete therefrom the words "sheriff, assessor, clerk of a district court, coroner" on lines 3 and 4, page 12. The motion carried without objection.

Mr. Burson then requested the staff to prepare a new section which would generally encompass the provisions in Section 14(A).

A motion was then offered by Mr. Burson that the treatment of these officers be referred back to the Subcommittee on General Provisions for a preparation of the article for the filling of these vacancies. With no objections, the chairman so ordered.

Mr. Kean offered a motion to insert the words "home rule"

between the words "or" and "plan" on line 12, page 12; and the word "affected" between the words "the" and "political" on line 12, page 12. The motion carried without objection.

Mayor Heine moved to insert a sentence after paragraph (E) of Section 14 to read as follows: "The provisions of this

13

section shall not apply to the office of sheriff, assessor, clerk of a district court, coroner, judges of any court of record, or district attorney, except as otherwise provided for in this constitution." Mr. Toomy offered an amendment to this motion to label Mayor Heine's motion paragraph "F" of Section 14. With no objections, the motion carried.

Mr. Kean offered a motion to adopt Section 14 as amended, and the chairman so ordered.

Mr. Burson moved to remove Section 3 from the table, stating that he would like the committee to make a decision on this section. However, Mr. Toomy offered a substitute motion to delay action on Section 3 until Mr. D'Gerolamo could be present. Mr. Toomy stated that he felt this matter to be as important as other matters being delayed by the committee. A roll call vote was taken on Mr. Toomy's substitute motion to delay action on Section 3.

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

There being 6 yeas and 8 nays, the substitute motion failed.

The chairman explained that when Section 3 was tabled yesterday, a motion was on the floor offered by Mr. Lanier, to delete the words "two-thirds" on line 20, page 2, and insert the word "majority". After considerable discussion, Mr. Reeves called for the question. A roll call vote was taken on the motion made by Mr. Lanier to delete "two-thirds" and insert the word "majority".

14

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

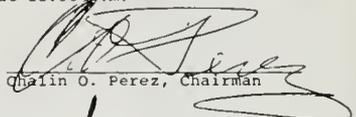
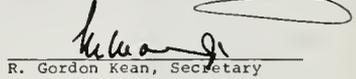
There being 9 nays and 5 yeas, the motion failed to carry.

Mr. Burson offered a motion to adopt Section 3 without amendment. Hearing no objections, the chairman so ordered. However, Mr. Lanier informed the members of the committee that he intended to file a minority report and invited other members of the committee to do so.

The chairman suggested that the committee set the dates for the next meeting. It was decided that the full committee would meet at 1:00 p.m. on Friday, June 15, 1973, and 10:00 a.m. on Saturday, June 16, 1973. At these meetings, the committee

will consider all the provisions on local government which have not been acted upon, and in addition, other subcommittee matters available for discussion.

The committee adjourned at 12:30 p.m.

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

DRAFT "A" OF GENERAL PROVISIONS  
LOCAL AND PAROCHIAL GOVERNMENT ARTICLE  
(For consideration June 1, 2, 1973)

CC-

1 Constitutional Convention of Louisiana of 1973

2 SUBCOMMITTEE PROPOSAL NUMBER

3 Introduced by Delegate Burson on behalf of the Subcommittee

4 Drafting General Provisions.

5 A PROPOSAL

6 Relative to provisions for local and parochial government.

7 PROPOSED SECTIONS:

8 Section 1. Municipalities; Incorporation, Consolidation,  
9 Merger, and Government

10 Section 1. The legislature shall provide by general  
11 law for the incorporation, consolidation, merger, and  
12 government of municipalities. No special law shall be  
13 enacted to create a municipal corporation or to amend,  
14 modify, or repeal its charter; however, if a municipality  
15 ia operating under a special legislative charter it may  
16 be amended, modified, or repealed by special law as long  
17 as such municipality continues to operate under such  
18 charter.

19 Reported favorably.

20 Source: La. Const. Art. XIV, §§10, 40 (1921).

21  
22  
23  
24 Comment: Provides for municipal incorporation by general  
25 law. Prohibits special law in language similar to  
26 source provision.

27  
28 Section 2. Parishes; Ratification of Boundaries,  
29 Creation, Consolidation, and Dissolution

30 Section 2. (A) All parishes and their boundaries  
31 as established under existing law are recognized and  
32 ratified.

33 (B) The legislature shall provide by general law for  
34 the creation, consolidation, or dissolution of parishes.  
35 No new parish shall contain less than six hundred twenty-

2

1 five square miles, or less than fifty thousand inhabitants,  
2 and no parish shall be reduced below that area or number  
3 of inhabitants.

4  
5 Reported favorably.

6  
7 Source: La. Const. Art. XIV, §§1, 4 (1921).

8  
9 Comment: Provides for ratification of existing parish  
10 boundaries. Increases the population requirement of  
11 the existing provision for creation of new parishes  
12 from 7,000 to 50,000 inhabitants.

13  
14 Section 3. Change of Parish Lines: Election

15 Section 3. Before taking effect any law changing  
16 parish lines, consolidating parishes, dissolving parishes,  
17 or creating new parishes shall be submitted to the electors  
18 of the parishes to be affected at a special election held  
19 for that purpose. The change shall take effect only if  
20 two-thirds of the total vote cast on the question in each  
21 affected parish is in favor thereof.

22  
23 Reported without action. There is a division among members  
24 of the subcommittee as to whether a majority vote or two-  
25 thirds vote should be required to change parish lines.  
26 The Law Institute recommends a majority vote.

27  
28 Source: La. Const. Art. XIV, §§2, 4 (1921).

29  
30 Comment: Provides for consolidation, dissolution, and  
31 creation of new parishes only after approval by a two-  
32 thirds vote in each affected parish. The source pro-  
33 visions provide that parishes may be dissolved and merged  
34 by a two-thirds vote by the electors of the dissolving  
35 parish and approval by a majority vote of the electors

3

1 of the parish or parishes into which the dissolved parish  
2 is to become incorporated.

3  
4 Section 4. New or Enlarged Parishes; Adjustment of Assets  
5 and Liabilities

6 Section 4. When a parish is enlarged or created from  
7 contiguous territory, it shall be entitled to a just  
8 proportion of the property and assets and shall be liable  
9 for a just proportion of the existing debts and liabilities  
10 of the parish or parishes from which the territory is taken.

11  
12 Reported favorably.

13  
14 Source: La. Const. Art. XIV, §5 (1921).

15  
16 Comment: This section provides a method of property division  
17 and debt assumption when new parishes are created or when  
18 parishes are enlarged. This section is taken verbatim  
19 from the source provision.

20  
21 Section 5. Removal of Parish Seat

22 Section 5. Upon the written petition of not less than  
23 twenty-five percent of the electors, as certified to by  
24 the registrar of voters, the governing authority of a parish  
25 shall call an election on the question of changing the  
26 location of the parish seat. The location of a parish

27 seat shall not be changed unless two-thirds of the total  
28 vote cast on the question is in favor thereof.

29  
30 Reported favorably.

31  
32 Source: La. Const. Art. XIV, §2 (1921).

33  
34 Comment: This section retains the requirement of a two-  
35 thirds approval by the electors voting at a special

4

1 election to affect a change in the location of the  
2 parish seat, and also adds details as to how the  
3 election may be called and how it shall be conducted.

4  
5 Section 6. Existing Home Rule Charters and Plans of  
6 Government of Parishes and Municipalities Ratified

7 Section 6. (A) The plans of government and home rule  
8 charters of the parishes of East Baton Rouge, Jefferson,  
9 and Plaquemines and of the cities of New Orleans, Baton  
10 Rouge, and Shreveport shall remain in effect until amended,  
11 modified, or repealed as provided therein. Each of them  
12 shall retain the authority, powers, rights, privileges,  
13 and immunities granted by its charter. Each shall be  
14 subject to the duties imposed by the applicable consti-  
15 tutional provisions under which its plan or charter was  
16 adopted. Each of them also shall enjoy such additional  
17 powers as are granted to political subdivisions by provi-  
18 sions of this constitution, unless the exercise of such  
19 powers is prohibited by its charter.

20 (B) Every other home rule charter adopted or authorized  
21 when this constitution is adopted shall remain in effect  
22 and may be amended, modified, or repealed as provided in  
23 the charter.

24  
25 Reported favorably.

26  
27 Source: La. Const. Art. XIV, §§ 3(a), 3(c), 3 (second d),  
28 22, 37 (1921).

29  
30 Comment: (a) The source provisions provide in detail for  
31 the establishment and operation of the plan of government  
32 for the parishes of East Baton Rouge and Jefferson, and  
33 the cities of Baton Rouge, New Orleans, and Shreveport.  
34 Since the source provisions provide for purely local  
35 matters, it is not necessary to include the detailed

5

1 provisions in the text of the constitution.

2 (b) Under Const. Art. XIV, §3 (second d), detailed pro-  
3 cedures are set out for the adoption of a charter commission  
4 form of parish government. Such a plan of government has  
5 been adopted in Plaquemines Parish and is specifically  
6 ratified in this section.

7  
8 Section 7. Powers and Limitations on Political Subdivisions

9 Section 7. (A) Any political subdivision may exercise

10 any power and perform any function pertaining to its govern-  
11 ment and all other powers necessary, requisite, or proper  
12 for the management of its affairs not denied to it by its  
13 charter, by this constitution, or by general law, including  
14 but not limited to the power (1) to legislate upon, regulate,  
15 conduct, and control all matters of local governmental  
16 administration; (2) to define the powers, duties, and quali-  
17 fications of parochial or municipal employees; (3) to provide  
18 for the protection of the public health, safety, morals, and  
19 welfare; (4) to create special districts; (5) to license; (6)  
20 to tax any enterprise or object not excluded by this consti-  
21 tution or the general laws of this state; (7) to incur debt  
22 and issue bonds, except as otherwise provided in this  
23 constitution. Any political subdivision may exercise  
24 concurrently with the state any power or function pertaining  
25 to its government and affairs to the extent that the legislature  
26 by general law does not specifically limit the concurrent  
27 exercise of any such power or functions or specifically declare  
28 the state's exercise of any such power or function to be ex-  
29 clusive except as hereinafter provided.

30 (B) Political subdivisions do not have the power (1) to  
31 incur debt payable from ad valorem tax receipts maturing  
32 more than forty years from the time it is incurred; (2) to  
33 define and provide for the punishment of a felony; or (3)  
34 to enact private or civil ordinances governing civil rela-  
35 tionships.

6

1 (C) Political subdivisions shall have the power that  
2 the legislature may provide by law to levy and collect  
3 occupational license taxes or taxes upon or measured  
4 by income or earnings.

5 (D) The legislature may not deny or limit the power of  
6 political subdivisions (1) to make local improvements by  
7 special assessment and to exercise this power jointly  
8 with other parishes and municipalities, and other classes  
9 of units of local government having that power on the  
10 effective date of this constitution unless that power is  
11 denied by law to all other political subdivisions of the  
12 same kind; or (2) to levy additional taxes upon areas within  
13 their boundaries, in the manner provided by law, to provide  
14 special services to those areas and for the payment of debt  
15 incurred to provide those special services.

16 (E) The legislature shall not pass any law which changes,  
17 modifies, or affects the structure and/or organization  
18 and/or the particular distribution and redistribution of  
19 the powers and functions of any political subdivision which  
20 operates under a home rule charter.

21 (F) Powers and functions of any political subdivision  
22 shall be construed liberally in favor of the political  
23 subdivision.

24  
25 Reported favorably.

26  
27 Source: New. See, however, Ill., Const. Art. VII, §56 (a),  
28 6(d), 6(e), 6(l), 6(m) (1970); and Model State Constitution,  
29 Sixth Edition (Revised) Art. VIII, §8.02 (1968).

30

31 Comment: (a) The provisions in this section grant broad  
32 powers of local self-government to parishes, municipalities,  
33 and other units of local government. The grant of powers  
34 is accomplished in two ways. In paragraph A these units  
35 of local government are given general authority to

7

1 exercise any power and perform any function relating to  
2 their government and affairs. Second, four important  
3 powers--to regulate, to license, to tax, and to incur  
4 indebtedness--are enumerated in the powers given to these  
5 units of local government.

6 (b) This broad grant of powers is subject to restrictions  
7 set forth in paragraph B relating to local debt, defining,  
8 and providing for punishment of a felony and private or  
9 civil laws governing civil relationships.

11 Section 8. Home Rule Charter

12 Section 8. (A) Any political subdivision may draft,  
13 adopt, or amend a charter of government to be known as a  
14 home rule charter in accordance with the provisions of  
15 this section. The governing authority of any such political  
16 subdivision may appoint a commission to prepare and propose  
17 a charter, or may call an election for the purpose of  
18 electing such a commission.

19 (B) The governing authority of any such political  
20 subdivision shall call an election to elect a commission  
21 to prepare and propose a charter or alternate charter when  
22 presented with a petition signed by not less than twenty  
23 percent of the electors who live within the boundaries of the  
24 affected political subdivision, as certified by the  
25 registrar of voters.

26 (C) A home rule charter shall be adopted when approved  
27 by a majority of the electors voting on the charter  
28 proposal at an election called for that purpose.

29  
30 Reported favorably.

31  
32 Source: La. Const. Art. XIV, §40 (1921).

33  
34 Comment: These provisions grant home rule powers to parishes,  
35 municipalities, and other local governmental units authorized

8

1 by law to perform general governmental functions. A home  
2 rule charter may be adopted by a municipality under R.S.  
3 33:1381, et seq., which are general laws providing the  
4 requirements for adoption of a home rule charter.

5  
6 Section 9. Legislation Increasing Municipal or Parish  
7 Financial Burdens; Local Approval

8 Section 9. No law requiring an increase in expenditures  
9 from funds of a political subdivision shall have effect  
10 until approved by ordinance enacted by the governing  
11 authority of the political subdivision affected thereby.  
12 When funds sufficient to meet the increased expenditure

13 are provided to the political subdivision by law, local  
14 approval shall not be required.

15  
16 Reported without action. There is a division among members of  
17 the subcommittee. Some members feel if this section is  
18 adopted, a provision should be approved allowing municipal  
19 employees to bargain collectively, and/or a provision per-  
20 mitting municipal employees under civil service to engage  
21 in certain political activities.

22  
23 Source: New

24  
25 Comment: Authorizes the legislature to impose new financial  
26 burdens upon a political subdivision only when funds  
27 are made available from state sources or, if not, only  
28 after the local governing authority has approved the  
29 increase.

30  
31 Section 10. Appropriation to Political Subdivisions

32 Section 10. When the legislature makes funds  
33 available to one or more political subdivisions and does  
34 not specify within the act the particular purposes and  
35 amounts for which such funds shall be allocated, the

9

1 determination of the purposes for which such funds shall  
2 be expended, and the amount to be expended for each purpose  
3 shall be made solely by the governing authority of the  
4 political subdivision or political subdivisions to which  
5 the funds are appropriated, or otherwise made available.

6  
7 Reported favorably.

8  
9 Source: New

10  
11 Comment: This provision grants to political subdivisions control  
12 over specific expenditure of funds appropriated by the leg-  
13 islature when the legislature fails to specify within the  
14 act making the funds available the particular purposes  
15 and amounts for which such funds shall be allocated.

16  
17 Section 11. Governing Authorities of Parishes and Munic-  
18 ipalities; Controls Over Agencies They Create

19 Section 11. (A) In addition to any other powers  
20 granted by the legislature, the governing authority of a  
21 political subdivision shall have the following powers  
22 over any agency heretofore or hereafter created by it:  
23 (1) to appoint and remove members of the governing body  
24 of the agency; (2) to exercise budgetary and fiscal control  
25 over the agency, including the power to modify or veto  
26 its operating budgets, in whole or in part; or to substitute a  
27 different budget therefor; (3) to abolish the governing  
28 body of the agency and to substitute itself therefor, with  
29 authority to exercise all of its powers and functions; and  
30 (4) to abolish the agency if the obligations or indebted-  
31 ness of the agency are not thereby impaired. No such  
32 agency shall have authority to levy any tax or issue any  
33 bonds unless the proposal to be submitted to the electorate

34 therefor first is approved by the governing authority of  
35 the political subdivision.

10

1 (B) If the creation of the agency required the con-  
2 currence of two or more such governing authorities,  
3 concurrence of all of them shall be required for the  
4 exercise of the above powers.

5  
6 Reported favorably.

7  
8 Source: La. Const. Art. XIV, §46 (1921).

9  
10 Comment: Restates the source provision without substantive  
11 change, but adds authority to political subdivisions to  
12 appoint and remove members of the governing bodies of  
13 agencies created by them, and adds authority to the  
14 governing authority of the political subdivision to  
15 substitute itself for the governing board and to exercise  
16 all of its powers and functions.

17  
18 Section 12. Assumption of Debt

19 Section 12. (A) Any political subdivision may assume  
20 the debt of any district or public agency, except school  
21 districts, situated and having jurisdiction entirely within  
22 the boundaries of such political subdivision and may merge  
23 or consolidate such district or agency into such political  
24 subdivision and upon such debt assumption the political  
25 subdivision shall succeed to and be vested with all of the  
26 rights, revenues, resources, jurisdiction, authority, and  
27 powers of such district or agency. No such action shall  
28 take effect unless a majority of the electors in such  
29 district and a majority of the electors in the political  
30 subdivision assuming the debt who vote in an election held  
31 for that purpose vote in favor of the proposition.

32 (B) If the district or agency which is abolished has any  
33 outstanding indebtedness, the authority provided for by this  
34 section shall not be exercised unless provision is made for  
35 the assumption of such indebtedness by the governing

11

1 authority or authorities of the political subdivisions  
2 involved.

3  
4 Reported favorably.

5  
6 Source: La. Const. Art. XIV, §14(k) (1921).

7  
8 Comment: The source provision authorizes any parish to assume  
9 the debt of certain enumerated special districts, provided  
10 that property taxpayer approval is secured at an election  
11 held for that purpose. The above section extends the source  
12 provision to authorize any political subdivision to assume  
13 the indebtedness of any district or public agency, except  
14 school districts, lying entirely within its boundaries.

15 Present provision requires a majority in number and amount  
16 to approve the action. Proposed provision requires a  
17 majority of the electors. This brings the provision into  
18 conformity with recent United States Supreme Court decisions  
19 to eliminate the taxpayer requirement for voting in such  
20 elections.

22 Section 13. Local Officials

23 Section 13. The electors of each political subdivision  
24 shall have the exclusive right to elect the chief executive  
25 officer and the members of their respective governing au-  
26 thorities. Such officials shall not be subject to removal  
27 by the legislature. The salaries of these officials shall  
28 not be reduced during the terms for which they are elected.

30 Reported favorably.

32 Source: La. Const. Art. XIV, §40(b) (1921)

34 Comment: Restates without substantive change Paragraph b of  
35 Section 40, but broadens it to include parish officials.

1 Section 14. Filling of Vacancies; Appointment

2 Section 14. (A) Vacancies occasioned by death, resigna-  
3 tion, or otherwise, in the office of sheriff, assessor,  
4 clerk of a district court, coroner, police juror, city  
5 council, parish or municipal governing authority, or special  
6 district thereof, mayor or chief executive officer of any  
7 political subdivision, city or parish school board, and any  
8 other local official elected within the boundaries of the  
9 political subdivision, shall be filled by appointment by the  
10 governing authority of the political subdivision or by the  
11 city or parish school board, unless otherwise provided by  
12 the home rule charter or plan of government of the political  
13 subdivision. A tie vote by the governing authority of the  
14 political subdivision or school board shall be broken by its  
15 presiding officer regardless of the fact that he may already  
16 have voted as a member of the appointing body.

17 (B) If, at the time a vacancy occurs in an elective  
18 office for which appointment is provided in Paragraph A of  
19 this section, the unexpired portion of the term of office  
20 is more than one year, a special election to fill the  
21 vacancy shall be held, without the necessity of a call by  
22 the governor, not more than six months nor less than four  
23 months, after first receipt of notice of the vacancy by the  
24 secretary of state, to be given as hereinafter provided, in  
25 the political subdivision or special district thereof in  
26 which the vacancy occurred, and in such case the appointment  
27 provided for in Paragraph A of this section shall be  
28 effective only until a successor is duly elected and  
29 qualified.

30 (C) Upon being informed of the occurrence of a vacancy in  
31 any of the offices specified in Paragraph A of this section,  
32 the clerk of the district court in the parish where the  
33 vacancy occurred, and in the parish of Orleans the clerk  
34 of the Criminal District Court, shall, within twenty-four  
35 hours after being thus informed, notify the secretary of

1 state in writing by registered or certified mail of the  
2 occurrence of the vacancy. Upon receipt of such notice,  
3 the secretary of state shall, within twenty-four hours after  
4 such receipt, notify in writing by registered or certified  
5 mail all election officials, including party committees and  
6 boards of supervisors of elections, having any duty to  
7 perform in connection with a special election to fill such  
8 vacancy.

9 (D) Nothing in this section shall be construed as  
10 changing the qualifications for the various offices involved  
11 and all appointments must be of persons who would otherwise  
12 be eligible to hold offices to which appointed.

13 (E) The provisions of this section shall apply to all  
14 political subdivisions unless otherwise provided by the  
15 charter or plan of government of the political subdivision  
16 adopted in conformity with this constitution.

18 Reported favorably.

20 Source: La. Const. Art. VII, §69 (1921).

22 Comment: (a) This provision authorizes the governing authority  
23 of the political subdivision wherein the vacancy occurs,  
24 rather than the governor, to fill vacancies. Deleted from  
25 the source provision are the elected offices of district  
26 judge and district attorney.

27 (b) Other provisions in this section restate the source  
28 provision and make no change in the law.

30 Section 15. Acquisition of Property

31 Section 15. Subject to such restrictions as the legis-  
32 lature may provide by general law, political subdivisions  
33 may acquire property for any public purpose, including but  
34 not limited to acquisition by purchase, donation, ex-  
35 propriation, or exchange.

1 Reported favorably.

3 Source: La. Const. Art. XIV, §14 (1921).

5 Comment: The source provision authorizes certain enumerated  
6 political subdivisions to acquire property. The revised  
7 section authorizes all political subdivisions to acquire  
8 property, subject to restrictions imposed by general law.

10 Section 16. Servitudes of Way; Acquisition by Prescription

11 Section 16. The public, represented by the various political  
12 subdivisions, may acquire servitudes of way by prescription  
13 in the manner prescribed by law.

15 Reported favorably.

17 Source: La. Const. Art. XIV, §16 (1921).

19 Comment: Restates the source provision and extends its appli-

20 capability to include municipalities as well as parishes.  
21  
22 Section 17. Prescription Against State and Political  
23 Subdivisions  
24 Section 17. Prescription shall not run against the  
25 state or any political subdivision or special district there-  
26 of in any civil matter, unless otherwise provided in this  
27 constitution or expressly by general law.

28  
29 Reported favorably.

30  
31 Source: La. Const. Art. XIX, §16 (1921).

32  
33 Comment: Existing provision prohibits the running of pre-  
34 scription against the state, except as provided by the  
35 constitution or laws. Revised section broadens this to

15

1 include political subdivisions and special districts.

2  
3 Section 18. Zoning

4 Section 18. Political subdivisions may enact zoning  
5 ordinances and create and classify therein residential,  
6 commercial, industrial, and other districts, and preserve  
7 the character of buildings, monuments, structures, and  
8 buildings and areas of historical importance. Political  
9 subdivisions may create airport zones and regulate the  
10 heights of buildings, structures, and objects of natural  
11 growth in areas surrounding airports.

12  
13 Reported favorably. Mary Zervigon expressed the view that au-  
14 thority granted in this section is not sufficient to enable  
15 the Vieux Carre Commission to effectively perform its  
16 functions.

17  
18 Source: La. Const. Art. XIV, §29 (1921).

19  
20 Comment: The source provision grants zoning authority to  
21 municipalities generally, and to certain named parishes.  
22 The revision extends the general authorization to all  
23 political subdivisions.

24  
25 Section 19. Industrial Areas

26 Section 19. The legislature may authorize parishes to  
27 create industrial areas within their boundaries in accordance  
28 with such procedures and subject to such regulations as the  
29 legislature shall determine. Parish industrial areas shall  
30 not be subdivisions of the state.

31  
32 Reported favorably.

33  
34 Source: La. Const. Art. XIV, §29.1 (1921).

35  
16

1 Comment: The above revised provision continues the legislative  
2 authority to permit the creation of industrial areas, but

3 leaves all of the procedures and regulations to the dis-  
4 cretion of the legislature.

5  
6 Section 20. Assistance to Local Industry by Political  
7 Subdivisions

8 Section 20. (A) Subject to such restrictions as it may  
9 impose, the legislature may authorize any political subdivi-  
10 sion, in order (i) to induce and encourage the location  
11 of or addition to industrial enterprises therein, or (ii)  
12 to provide funds for the establishment and furnishing of  
13 industrial plants for the conversion or processing of raw  
14 forms of agricultural products, or (iii) to provide  
15 control facilities, to issue bonds and use the funds  
16 derived from the sale thereof to acquire and improve  
17 industrial plant sites and other property necessary to the  
18 purposes thereof, and to acquire, through purchase,  
19 construction, or otherwise, and to improve, industrial  
20 plant buildings and industrial plant equipment, machinery  
21 furnishing, and appurtenances, and to sell, lease, or  
22 otherwise dispose of all or any part of the foregoing.

23  
24 (B) It is hereby found and declared that the purposes  
25 designed to be accomplished herein are public and proper  
26 legal purposes and will be of public benefit to the  
27 political subdivision issuing the bonds.

28  
29 Reported favorably.

30  
31 Source: La. Const. Art. XIV, §14(b.2), (b.3) (1921).

32  
33 Comment: (a) The source provision provides detailed procedures  
34 for the issuance of bonds by political subdivisions to  
35 induce, encourage, and aid the location of industry therein.

17

1 Paragraph A of the revised section adopts the principle  
2 that the legislature may authorize such bonds, and the  
3 detailed procedures for the issuance of the bonds are  
4 omitted from the constitution and should be placed in the  
5 statutes.

6 (b) Continues present stipulation that such bonds are  
7 for public and proper legal purposes.

8  
9 Section 21. Creation of Special Districts; Authority

10 Section 21. The power of the legislature by general or  
11 special law to create or authorize the creation of special  
12 districts, boards, agencies, commissions, and authorities  
13 of every type useful in carrying on the duties and  
14 functions of political subdivisions and, subject to the  
15 limitations imposed in this constitution in Section 7(D) of  
16 this Article, to grant the special districts, boards,  
17 agencies, commissions, and authorities so created such  
18 rights, powers, and authorities as it deems proper, in-  
19 cluding, but not limited to, the power of taxation, the  
20 power to incur debt and issue bonds, and the power to  
21 reclaim property from the beds of lakes and streams, is  
22 hereby confirmed.

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Source: New

Comment: (1) It is the purpose of this section, not only to clearly vest plenary authority in the legislature to create or authorize the creation of special districts and authorities of every type and define their powers, but this section is also to negate any argument that further constitutional authority is necessary for the legislature to exercise this function. The legislature will, however, be subject to limitations otherwise provided by the constitution, such as tax exemptions and debt limitations.

(2) The effect of the above section is to remove from

the constitution the following: (1) ports, harbors and terminal districts (§§30.1 and 31); (2) Lake Charles Harbor and Terminal District (§30.2); (3) navigation and river improvement districts (§§30.3 and 30.4); (4) Red River Waterway (§30.5); (5) garbage districts (§34); (6) Fourth Jefferson Drainage District (§35); (7) Jefferson Parish community center and playground districts (§36); (8) Jefferson Parish sewerage districts (§37.1); (9) Jefferson Parish public improvement districts (§38(1st) and §38(2nd)); (10) Calcasieu community center and playground districts (§39.1); (11) Jefferson Parish drainage districts (§43); (12) Sabine River Authority (§45); and (13) Louisiana Stadium and Exposition District (§47). The foregoing list is not exclusive. (References are to present sections).

(3) It is the purpose of the revised section to continue by legislative acts the special districts, boards, agencies, commissions, and authorities provided for in the present Article XIV. Legislation should be submitted to place them in the revised statutes.

(4) It is further recognized, however, that certain existing agencies by reason of their importance, scope, or peculiar circumstances have or should have special treatment in the constitution, such as the Civil Service Commission and the Board of Liquidation of City Debt of New Orleans. They are continued by other sections of the revision.

Section 22. Recall

Section 22. The legislature shall by general law provide for the recall of state, district, parish, municipal, or ward officers, except judges of the courts of record, and except wherein otherwise provided by this constitution. The sole issue to be voted on at any recall election shall be whether such officers shall be recalled.

Reported favorably.

1 Source: La. Const. Art. IX, §9 (1921).

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Comment: This section is taken from the source provision, and makes no changes in the law.

Section 23. Classification

Section 23. Except as provided in Section \_\_\_\_, the legislature may classify political subdivisions according to population or on any other reasonable basis related to the purpose of this classification, and legislation may be limited in its effect to any of such class or classes; but, no statute which is applicable to fewer than six political subdivisions shall become operative in any such political subdivision until submitted to and approved by a majority of the qualified electors of that political subdivision voting in an election held for that purpose.

Source: La. Const. Art. XIV, §22 (1921).

Comment: Under the source provision, legislation applicable to fewer than the five largest cities of the state shall not become operative in the city of New Orleans until approved by a majority of the qualified electors of the city of New Orleans voting at an election. The revision provides that if a law is applicable to fewer than six political subdivisions the law becomes operative in a political subdivision to which it applies only if approved by the voters of that political subdivision. Thus, the law becomes operative in a municipality where it is approved, even if it does not become operative in others because the voters disapprove or no election is held. The exception of Section \_\_\_\_, deals with municipal taxation; under that section the legislature is authorized to make exceptions for individual municipalities from general laws pertaining to taxation.

Section 24. Uniform Procedure for Calling, Conducting, and Canvassing the Returns of Certain Special Elections

Section 24. When any election is required to be held in any political subdivision pursuant to the provisions of this constitution which requires submission to the electors of any proposition or question, such as the change of parish lines, change of a parish seat, levying of taxes, issuance of bonds or incurring of other debt obligations, the assumption of debt, or the adoption of a home rule charter, the election shall be called, conducted, and the returns thereof canvassed, in accordance with the law pertaining to elections for incurring bonded indebtedness and special taxes relative to local finance, as the same now exists or may hereafter be amended, or as may be otherwise provided by the legislature.

Reported favorably.

Source: New

Comment: Provides that applicable procedures set forth in the

22 statutes shall be followed when holding special elections.  
23  
24 Section 25. Supremacy of Constitution and General Laws  
25 Section 25. The provisions of this constitution shall  
26 be paramount and neither the legislature, nor any political  
27 subdivision, shall enact any laws or ordinances in conflict  
28 therewith. Except as otherwise provided in this consti-  
29 tution, the general laws enacted by the legislature shall  
30 be paramount to the ordinances of any political subdivision.

31 Reported favorably.

32 Source: New

1 Comment: Provides for supremacy of the constitution and general  
2 laws over ordinances enacted by political subdivisions.

3  
4 Section 26. Intergovernmental Cooperation

5 Section 26. Any political subdivision may exercise any  
6 of its powers or perform any of its functions, including  
7 the financing thereof, jointly or in cooperation with any  
8 governmental entities, either within or without the state,  
9 except as the legislature shall provide otherwise by law.

10 Reported favorably.

11 Source: New. See, however, South Dakota Const. Art. IX,  
12 §3, (1889).

13 Comment: Provides for intergovernmental cooperation between  
14 parishes and municipalities and between these political  
15 subdivisions and the state and federal government.

16  
17 Section 27. Terms Defined

18 Section 27. 1. As used in this Article "municipality"  
19 means incorporated cities, towns, and villages.

20 2. "Political subdivision" as used in this consti-  
21 tution refers to parishes, municipalities, and any other  
22 unit of local government authorized by law to perform  
23 general governmental functions.

24 3. "Governing authority" means the body which exercises  
25 the legislative functions of the political subdivision.

26 4. "Chief executive officer" as used in this Article  
27 refers to the mayor, or any other popularly elected chief  
28 executive of any political subdivision.

29 5. "General law" as used in this article refers to a  
30 law of statewide concern which is uniformly applicable to  
31 every political subdivision in the entire state or which  
32 is uniformly applicable to all political subdivisions

1 within the same class as established in accordance with

2 the classification provisions of Section 23 of this  
3 Article.

4 6. "Special law" means any law other than a general  
5 law.

6 Reported favorably.

7 Source: New

8 Comment: Provides definitions for various terms used in this  
9 Article.

MINUTES

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

Held pursuant to notice mailed by the Secretary of  
the Convention on June 7, 1973

Conservation Auditorium, Natural Resources  
Building, Baton Rouge, Louisiana  
Friday, June 15, 1973, 1:00 p.m.  
Saturday, June 16, 1973, 9:00 a.m.

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

Present: Chalin O. Perez                      Absent: H. M. Fowler  
I. Jackson Burson  
Joseph Conino  
Johnny Jackson  
Terry Reeves  
R. Gordon Kean  
Harvey Cannon, Jr.  
Ethan Chatelain  
Mayor Pete Heine  
Edward D'Gerolamo  
Joseph Giarrusso, Sr.  
George Dewey Hayes  
Walter Lanier, Jr.  
V. C. Shannon  
J. E. Stephenson  
Dorothy Mae Taylor  
Joseph Toomy  
Frank Ullo  
Mary Zervigon

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

Mr. Toomy explained what action the Subcommittee on General Provisions had taken the previous day.

Mr. Perez submitted amendments he had discussed on the previous day with the Subcommittee on General Provisions, and briefly explained them to the committee.

Mr. Lanier suggested that the committee consider Sections 6, 7, 8, and 9 together. Mr. Conino offered an amendment to the motion that Section 9 be deleted from consideration with Sections 6, 7, and 8. The motion carried.

After discussion Mr. Lanier offered a motion to consider Section 7 first, and that Paragraphs (B), (C), (D), and (F) of this section be considered at a later time. There were no objections to this motion.

Mr. Lanier then moved to recess for one hour in order that the delegates could study Sections 6, 7, and 8 more carefully. However, Mr. Giarrusso objected to this motion, stating that the committee should continue their discussion, and allow Mr. Perez to offer his suggestions in the form of amendments. The original motion carried with one objection from Mr. Giarrusso.

After the recess, Mr. Burson offered a motion to delete Paragraphs (B), (C), (D), (E), and (F) from Section 7, and alter Section A to read as follows:

#### Section 7. Powers of Local Governmental Subdivisions

Any local governmental subdivision may exercise and perform any power and function necessary, requisite, or proper for the management of its affairs not denied to it by its charter, by this constitution, or by general law, including but not limited to the power to (1) to legislate upon, regulate, conduct, and control all matters of local governmental administration; (2) to define the powers, duties, and qualifications of parochial or municipal employees; (3) to provide for the protection of the public health, safety, morals, and welfare; (4) to create special districts; (5) to license; (6) to tax under the limitations provided in this constitution or the general laws of this state; (7) to incur debt and issue bonds, except as otherwise provided in this constitution. Any local governmental subdivision may exercise concurrently with the state any power or function pertaining

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to its government and affairs to the extent that the legislature by general law does not specifically limit the concurrent exercise of any such power or functions or specifically declare the state's exercise of any such power or function to be exclusive except as provided in this Article.

Mr. Lanier offered a motion to adopt Section 7 as amended by Mr. Burson. The motion carried without objection.

Mr. Kean offered a motion to adopt Section 8 as amended by the chairman. However, Mr. Lanier stated his objection to Section 8(c). Mrs. Zervigon then offered an amendment to adopt Section 8(A) and (B), substituting the words "local governmental subdivisions" for the words "political subdivision" when they appear throughout the section. Mr. Reeves also offered an amendment to delete the words "twenty percent" and insert in lieu thereof "fifteen percent". Mr. Kean accepted these amendments.

Mr. Kean then changed his motion to adopt Paragraphs (A) (B), and (C) of Section 8 as submitted by the subcommittee and amended. There were no objections to this motion.

A motion was then offered by Mr. Kean to add Section 8(C) submitted by Mr. Perez, as Section 8(D), with an additional amendment. The motion carried without objection. Section 8 as amended reads as follows:

Section 8. (A) Any local governmental subdivision may draft, adopt, or amend a charter of government to be known as a home rule charter in accordance with the provisions of this Section. The governing authority of any such local governmental subdivision may appoint a commission to prepare and propose a charter, or may call an election for the purpose of electing such a commission.

(B) The governing authority of any such local governmental subdivision shall call an election to elect a commission to prepare and propose a charter or alternate charter when presented with a petition signed by not less than fifteen percent of the electors who live within the boundaries of the affected subdivision, as certified by the registrar of voters.

3

(C) A home rule charter shall be adopted when approved by a majority of the electors voting on the charter proposal at an election called for that purpose.

(D) A home rule charter, or any amendment thereto, adopted pursuant to the provisions of this Section, shall provide for the structure, organization, powers, and functions for the government of the local governmental subdivision, which may include the exercise and performance of any power and function necessary, requisite, or proper for the management of its affairs, not denied by general law or this constitution; provided, however, the legislature shall not pass any law the effect of which changes, modifies, or affects the structure, organization and/or the particular distribution and redistribution of the powers and functions of any local governmental subdivision which operates under a home rule charter.

Mr. Burson offered a motion to adopt Section 6 as amended which reads as follows:

Section 6. (A) The plans of government and home rule charters of the parishes of East Baton Rouge, Jefferson, and Plaquemines and of the cities of New Orleans, Baton Rouge, and Shreveport shall remain in effect, but may be amended, modified, or repealed as provided therein. Each of them shall retain the authority, powers, rights, privileges, and immunities granted by its charter. Each shall be subject to the duties imposed by the applicable constitutional provisions under which its plan or charter was adopted. Each of them also shall enjoy such additional powers and functions as are granted to local governmental subdivisions by provisions of this constitution, including Sections 7 and 9 of this Article, unless the exercise of such powers and functions is prohibited by its charter.

(B) Every other home rule charter adopted or authorized when this constitution is adopted shall remain in effect and may be amended, modified, or repealed as provided in the charter.

The motion carried without objection.

The committee recessed at 5:00 p.m. until the next morning at 10:00 a.m.

Saturday, June 16, 1973, 10:00 a.m.

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

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Chairman Perez called the meeting to order and the minutes of June first and second were approved.

Mrs. Zervigon offered a motion to adopt Section 9 to read as follows:

"No law requiring an increase in expenditures from funds of a political subdivision, shall have effect until approved by ordinance enacted by the governing authority of the political subdivision affected thereby, or until the legislature appropriates funds to the affected political subdivision for that purpose and only to the extent and amount that such funds are provided."

However, Mr. Reeves offered a substitute motion to delete Section 9 as reported by the subcommittee and insert

in lieu thereof the following proposal:

"No law requiring an increase in expenditures from funds of a political subdivision, except laws providing for wages, hours, working conditions, pension and retirement benefits, sick leave and other laws affecting political subdivision employees engaged in hazardous occupations, namely firemen and policemen, shall have effect until approved by ordinance enacted by the governing authority of the political subdivision affected thereby, or until the legislature appropriates funds to the affected political subdivision for that purpose and only to the extent and amount that such funds are provided."

After considerable discussion, Mayor Heine discussed the possibility of establishing a municipal board of review, composed of seven to nine members to be appointed by the legislature, to act as a source of redress when employees fail to receive results from the local officials. Mr. Kean then offered a motion that the committee defer action on Section 9 to enable the Subcommittee on General Provisions, and the staff working with Mayor Heine, to draft a provision considering all points brought before the committee. A roll call vote was taken on Mr. Kean's motion:

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Yeas: I. Jackson Burson Joseph Conino Johnny Jackson R. Gordon Kean Ethan Chatelain Mayor Pete Heine Joseph Giarrusso, Sr. George Dewey Hayes Walter Lanier, Jr. Dorothy Mae Taylor Joseph Toomy Frank Ullo Mary Zervigon	Nays: Terry Reeves Harvey Cannon, Jr. Edward D'Gerolamo V. C. Shannon J. E. Stephenson
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There being 13 yeas and 5 nays, the motion carried.

Mr. Lanier submitted an alternate proposal for Section 12, which reads as follows:

(A) Any local governmental subdivision may consolidate and merge into itself any special district or public agency, except school districts, situated and having jurisdiction entirely within the boundaries of such local governmental subdivision. Upon such merger or consolidation the local governmental subdivision shall succeed to and be vested with all of the rights, revenues, resources, jurisdiction, authority, and powers of such special district or public agency. No such action shall take effect unless a majority of the electors in such special district and a majority of the electors in the political subdivision assuming the debt who vote in an election held for that purpose vote in favor thereof and such action is approved by the legislature.

(B) If the special district or public agency which is abolished has any outstanding indebtedness, the authority provided for by this Section shall not be exercised unless provision is made for the assumption of such indebtedness by the governing authority or authorities of the local governmental subdivisions involved.

Mr. Burson offered an amendment to delete the phrase "and such action is approved by the legislature" at the end of Paragraph (A). The amendment carried without objection.

The alternate proposal was adopted as Section 12 without objection.

Mr. Burson offered a motion to adopt Section 13 with the suggested amendments by the chairman which reads as follows:

6

The electors of each local governmental subdivision shall have the exclusive right to elect the members of their governing authority and, if a plan, or form of government, or home rule charter so provides, their chief executive officer at elections held in accordance with the election laws of the state. Such officials shall not be subject

to removal by the legislature. The salaries of these officials shall not be reduced during the terms for which they are elected.

The motion carried without objection.

A motion was then offered by Mr. Burson for the adoption of Section 2J, as amended by the chairman, which reads as follows:

Except as provided in this constitution, the legislature may classify parishes or municipalities according to population or on any other reasonable basis related to the purpose of this classification, and legislation may be limited in its effect to any of such class or classes; but, no statute which is applicable to fewer than six parishes or municipalities shall become operative in any such parish or municipality until approved by ordinance enacted by the governing authority of the political subdivisions affected thereby.

However, Mr. Hayes offered a substitute motion to delete the phrase beginning with "but, no statute which is applicable... affected thereby." A roll call vote was taken on the substitute motion:

Yeas: Johnny Jackson George Dewey Hayes Dorothy Mae Taylor	Nays: I. Jackson Burson Joseph Conino R. Gordon Kean Harvey W. Cannon, Jr. Ethan Chatelain Mayor Pete Heine Edward D'Gerolamo Joseph Giarrusso, Sr. Walter Lanier, Jr. J. E. Stephenson Joseph Toomy Frank Ullo Mary Zervigon
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There being 13 nays and 3 yeas, the motion failed to carry.

Mr. Jackson then offered a substitute motion to delete

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the words "fewer than six". A roll call vote was taken:

Yeas: Johnny Jackson R. Gordon Kean Ethan Chatelain Mayor Heine George Dewey Hayes Walter Lanier, Jr. Mary Zervigon	Nays: I. Jackson Burson Joseph Conino Terry Reeves Harvey Cannon, Jr. Edward D'Gerolamo Joseph Giarrusso, Sr. J. E. Stephenson Joseph Toomy Frank Ullo
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There being 9 nays, 7 yeas and 1 abstention from Mrs. Taylor, the motion was defeated.

The original motion by Mr. Burson carried unanimously.

Mr. Burson then offered a motion to adopt the first sentence of Section 25, which reads as follows:

The provisions of this constitution shall be paramount and neither the legislature, nor any political subdivision, shall enact any laws or ordinances in conflict therewith.

The motion carried unanimously.

A motion was then offered by Mr. Burson to adopt the first sentence of Section 26 as amended by the chairman which reads as follows:

Any political subdivision may exercise and perform any of its authorized powers and functions including the financing thereof, jointly or in cooperation with one or more political subdivisions, either within or without the state, except as the legislature shall provide otherwise by law.

The motion carried without objection.

After considerable discussion, Mr. D'Gerolamo offered a motion that the first sentence of Section 26 become the entire Section 26. There were no objections to this motion.

Mrs. Zervigon suggested that the second sentence of Section

26 be referred back to the Subcommittee on General Provisions for further study.

Mr. Chatelain offered a motion to adopt the definitions submitted for local governmental subdivision, municipality,

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political subdivision, governing authority, and general law. The motion carried without objection.

Mr. Chatelain then offered an amendment to Section 8 previously adopted. The amendment included the insertion of a new paragraph (D), which reads as follows:

(D) Two or more local governmental subdivisions situated within the boundaries of one parish may avail themselves of the provisions of this Section, provided that a majority of the electors who vote in each local governmental subdivision, in an election held for that purpose, vote in favor thereof. The legislature shall provide for the method of appointment or election of a commission to prepare and propose a charter, provided, however, that at least one member of the commission shall be elected or appointed from each such local governmental subdivision. The legislature shall provide the method by which the electors of more than one local governmental subdivision within the boundaries of one parish may petition for an election for such purpose.

The motion carried without objection.

Mr. Hayes submitted a proposal which reads as follows:

When a majority of the electors of an unincorporated settlement in any parish operating under a home rule charter or a home rule plan of government sign and present to the governor a petition and meet other necessary requirements as set forth under the general laws providing for the incorporation of cities, towns, and villages, such cities, towns, and villages may be incorporated.

Mr. Kean offered an amendment to change the word "majority" to "two-thirds". A roll call vote was taken:

Yeas: I. Jackson Burson Joseph Conino Terry Reeves Gordon Kean Mayor Heine Edward D'Gerolamo Joseph Giarrusso, Sr. V. C. Shannon Joseph Toomy Mary Zervigon	Nays: Johnny Jackson Harvey Cannon, Jr. Ethan Chatelain George Dewey Hayes Walter Lanier, Jr. J. E. Stephenson Dorothy Mae Taylor Frank Ullo
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There being 10 yeas and 8 nays, the motion carried.

Mr. Kean offered an amendment to insert the words "or

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city" after the word "parish". A roll call vote was taken:

Yeas: R. Gordon Kean Joseph Giarrusso, Sr. George Dewey Hayes	Nays: I. Jackson Burson Joseph Conino Johnny Jackson Terry Reeves Harvey Cannon, Jr. Ethan Chatelain Mayor Heine Edward D'Gerolamo Walter Lanier, Jr. V. C. Shannon J. E. Stephenson Dorothy Mae Taylor Joseph Toomy Frank Ullo Mary Zervigon
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There being 15 nays and 3 yeas, the motion was defeated.

Mr. Kean offered an amendment to insert at the end of the proposal:

provided, however, no such newly incorporated area shall include any property previously included in any industrial area or district.

Mr. Hayes accepted Mr. Kean's amendment.

After discussion, Mr. D'Gerolamo moved that the matter be tabled, and a roll call vote was taken:

Yeas: Joseph Conino R. Gordon Kean Mayor Pete Heine Edward D'Gerolamo Joseph Giarrusso, Sr. Walter Lanier, Jr. Joseph Toomy Mary Zervigon	Nays: I. Jackson Burson Johnny Jackson Terry Reeves Harvey Cannon, Jr. Ethan Chatelain George Dewey Hayes V. C. Shannon J. E. Stephenson Dorothy Mae Taylor Frank Ullo
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There being 10 nays and 8 yeas, the motion failed.

Mr. Jackson offered a motion to adopt Mr. Hayes' amendment, and a roll call vote was taken on the motion.

Yeas: I. Jackson Burson Johnny Jackson Terry Reeves Harvey Cannon, Jr.	Nays: Joseph Conino R. Gordon Kean Mayor Pete Heine Edward D'Gerolamo
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Roll call (continued)

Yeas: Ethan Chatelain George Dewey Hayes V. C. Shannon J. E. Stephenson Dorothy Mae Taylor Frank Ullo	Nays: Joseph Giarrusso, Sr. Walter Lanier, Jr. Joseph Toomy Mary Zervigon
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There being 10 yeas and 8 nays, the motion carried.

Mr. Burson offered a motion to adopt Section 7(B) and have it placed in the appropriate article. The section reads as follows:

Local governmental subdivisions do not have the power (1) to incur debt payable from ad valorem tax receipts maturing more than forty years from the time it is incurred; (2) to define and provide for the punishment of a felony; or (3) to enact private or civil ordinances governing civil relationships.

There were no objections to this motion.

Paragraphs (C) and (D) of Section 7, were referred to the Subcommittee on Finance for further consideration.

A motion was then offered by Mr. Burson to adopt Paragraph (F) of Section 7, which reads as follows:

Powers and functions of any local governmental subdivision shall be construed liberally in favor of such local governmental subdivision.

The motion carried without objection.

Mr. Reeves offered a motion to adopt Section 14.1 as proposed by the chairman which reads as follows:

Vacancies occasioned by death, resignation or otherwise in the office of sheriff, assessor, clerk of a district court, or coroner shall be filled by appointment by the governing authority of the parish at the time and in the manner provided in Paragraphs (B) and (C) of Section 14 of this Article.

However, Mr. Lanier offered a suggestion that this article be deleted and adoption of the article by the Judiciary Committee be established. A roll call vote was taken on

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Mr. Reeves' original motion. The motion carried with 17 yeas and 1 nay from Mr. Lanier.

Mr. Toomy offered a motion to insert Section 14.1 as Paragraph (F) of Section 14, and change the present (F) to (G). The motion carried without objection.

Mr. Giarrusso then offered a motion to insert the word "state" between the words "any" and "court" of Paragraph (G). The motion carried without objection.

Mr. Toomy offered a motion to delete the phrase "or chief executive officer of any political subdivision" in

Paragraph (A) of Section 14. There were no objections to this motion.

Mr. Kean wished to serve notice to reconsider the Hayes' proposal at a later time.

The committee then discussed the proposal relative to levee districts. They amended and adopted the articles as shown on the attachment.

Mr. Reeves advised the committee that the Subcommittee on Special Districts; Transportation, Ports, and Harbors, will meet on Friday, June 22, 1973, at 10:00 a.m., and Saturday, June 23, 1973, at 9:00 a.m.

Mr. Burson stated that the General Provisions and the Finance Subcommittee will meet on Saturday, June 23, 1973, at 9:00 a.m.

It was also decided that the full committee would meet on Thursday, June 28, 1973, at 10:00 a.m.; Friday, June 29, 1973, at 9:00 a.m.; and Saturday, June 30, 1973, at 9:00 a.m.

The committee adjourned at 5:30 p.m.

*Chalín O. Pérez*  
Chalín O. Pérez, Chairman

*R. Gordon Kean*  
R. Gordon Kean, Secretary

LEVEE DISTRICT PROVISIONS  
ADOPTED BY THE COMMITTEE ON LOCAL AND  
PAROCHIAL GOVERNMENT ON JUNE 16, 1973

CC-

1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 Relative to levee districts.

6 PROPOSED SECTIONS:

7 Section 1. Levee Districts

8 Section 1. (A) Levee districts as now organized  
9 and constituted shall continue to exist except that  
10 (1) the legislature may provide for the consolidation,  
11 division, or reorganization of existing levee dis-  
12 tricts or create new levee districts provided that  
13 the members of the boards of commissioners of such  
14 districts shall be appointed or elected from resi-  
15 dents of such district; (2) any levee district whose  
16 flood control responsibilities are limited to and which  
17 is situated entirely within the boundaries of one parish  
18 may be merged and consolidated into such parish under  
19 the terms and conditions and in the manner provided  
20 in Article \_\_\_\_, Section \_\_\_\_ of this constitution.  
21 This provision shall be self-operative.

22 (B) No action taken hereunder shall impair the  
23 obligation of any outstanding bonded indebtedness  
24 or of any other contract of such levee district.

26 Source: New

28 Comment: Paragraph (A) provides for the maintenance of

29 levee districts as now organized. It allows the legis-  
30 lature to reorganize and create districts provided  
31 that the boards of commissioners are residents of  
32 such districts. It provides for the merger of a  
33 single-parish district into a parish government.

34 Paragraph (B) forbids the impairment of contracts  
35 of any district.

CC-

1 Section 2. District Taxes; Orleans Levee District  
2 Tax and Refunding Bonds; Increase in Tax to Raise  
3 Additional Funds

4 Section 2. (A) For the purpose of constructing  
5 and maintaining levees, levee drainage, flood protec-  
6 tion, hurricane flood protection, and for all other  
7 purposes incidental thereto, the governing authority  
8 of each district, may levy annually a tax not to ex-  
9 ceed five mills on the dollar, except the Board of  
10 Levee Commissioners of the Orleans Levee District,  
11 which may levy annually a tax not to exceed two and  
12 one-half mills on the dollar, on all taxable property  
13 situated within the alluvial portions of said dis-  
14 trict subject to overflow.

15 (B) Should the necessity to raise additional  
16 funds arise in any levee district for any of the pur-  
17 poses herein set forth, or for any other purpose re-  
18 lated to its authorized powers and functions which  
19 may be specified by the legislature, the tax herein  
20 authorized may be increased; provided, however, that  
21 before taking effect, the necessity for the increase  
22 and the rate thereof shall be submitted to the electors  
23 of such district at an election called and held in  
24 the manner provided in Article \_\_\_\_, Section 24 of this  
25 constitution, and no increase in taxes shall occur  
26 unless a majority of the electors in such district who  
27 vote in the election hereinabove provided for vote in  
28 favor thereof.

30 Source: La. Const. Art XVI, §2 (1921).

32 Comment: Paragraph (A) retains the source provision except:  
33 (1) Adds flood protection as one of the purposes  
34 for which levee districts may levy a tax. Orleans Levee  
35 District has this authority under present constitution.

CC-

1 (2) Adds hurricane flood protection as a purpose  
2 for which levee districts, including Orleans, may

levy a tax.

(3) Removes land reclamation as a purpose for which Orleans Levee District may levy a tax.

(4) Removes the payment of existing and future indebtedness as a purpose for which Orleans Levee District may levy a tax.

(5) Removes the prohibition against any part of this Section impairing the rights of holders of bonds or other obligations of the Orleans Levee District.

Paragraph (B) repeats the source provision and provides for an election procedure to raise additional funds.

Section 4. Interstate Districts

Section 4. The legislature, with the concurrence of an adjoining state, may create levee districts composed of territory partly in each state, and may authorize the construction and maintenance of levees wholly within another state.

Source: La. Const. Art. XVI, §4 (1921).

Comment: Verbatim with source provision.

Section 5. Cooperation with Federal Government

Section 5. All governing authorities of levee districts which have been, or may be created, are authorized to cooperate with the federal government in the construction and maintenance of the levees in this state, on such terms and conditions as may be provided by the federal authorities and accepted by the levee districts.

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Source: La. Const. Art. XVI, §5 (1921).

Comment: Verbatim with source provision; except provides for acceptance by levee districts instead of state authorities.

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

Held pursuant to notice mailed by the Secretary of the Convention on June 21, 1973

LSU Law School, Room 306

Baton Rouge, Louisiana

Thursday, June 28, 1973, 10:00 a.m.

Friday, June 29, 1973, 9:00 a.m.

Saturday, June 30, 1973, 9:00 a.m.

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

Present: Chalin Perez, Joseph Conino, Johnny Jackson, Terry Reeves, R. Gordon Kean, Harvey Cannon, Jr., Mayor Pete Heine, Edward D'Gerolamo, Joseph Giarrusso, Sr., George Dewey Hayes, Walter Lanier, Jr., V. C. Shannon, J. E. Stephenson, Joseph Toomy, Frank Ullo, Mary Zervigon. Absent: I. Jackson Burson, Ethan Chatelain, H. M. Fowler, Dorothy Mae Taylor

Mr. Perez stated that at the last meeting a notice of reconsideration was served by Mr. Kean relative to the proposal submitted by Mr. Hayes entitled "Home Rule Parish: Incorporation of Cities, Towns, and Villages". A motion was offered by Mr. Kean that the committee reconsider the vote on this proposal. However, Mr. Hayes urged Mr. Kean to withdraw his motion to reconsider entirely. Mr. Kean called for the question on the motion to reconsider, and a roll call vote was taken:

Yeas: Conino, Kean, Heine, Giarrusso, Lanier, Shannon, Toomy, Zervigon. Nays: Cannon, D'Gerolamo, Hayes, Ullo

There being 7 yeas and 4 nays, the motion carried.

Mr. Kean then moved the reconsideration be delayed until 9:00 a.m. the next day. The motion carried without objection.

The chairman stated that the next order of business was Sections 9, 26, and 27 of the General Provision Draft, that were referred back to the Subcommittee on General Provisions for further consideration. In the absence of Mr. Burson, chairman of the Subcommittee on General Provisions, Mr. Kean began explanation of Section 9.

A motion was then offered by Mr. Kean to adopt Section 9 as submitted by the subcommittee. Mr. D'Gerolamo offered

a substitute motion to delete the proposed Section 9 and insert in lieu thereof the following:

"No law requiring an increase in expenditures from funds of a political subdivision, except a law providing minimum pay or pension and retirement benefits for firemen and policemen, shall have effect until approved by ordinance enacted by the governing authority of the political subdivision affected thereby or until the legislature appropriates funds to the affected political subdivision for that purpose and

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only to the extent and amount that such funds are provided."

After considerable discussion, a roll call vote was taken on Mr. D'Gerolamo's substitute motion.

Yeas: Stephenson	Nays: Conino
Ullo	Kean
Cannon	Jackson
D'Gerolamo	Heine
Hayes	Giarrusso
Shannon	Lanier
Toomy	Zervigon

There being a tie vote, the chairman voted "no" explaining that the substitute motion contained many shortcomings and was not a complete Section. The substitute motion failed.

Mr. Kean then moved the previous question on the original motion. A roll call vote was ordered.

Yeas: Conino	Nays: Cannon
Jackson	Shannon
Kean	Stephenson
Heine	Toomy
D'Gerolamo	Ullo
Giarrusso	
Lanier	
Zervigon	

There being 8 yeas and 5 nays, Section 9 was adopted. Mr. Perez asked the record to show that he would have voted "no" on this provision also.

Mr. Kean then read the proposed Section 26. Mr. Toomy offered a motion to delete the words "a majority" and insert in lieu thereof the words "two-thirds". After considerable discussion, a roll call vote was taken.

Yeas: Conino	Nays: Kean
Jackson	Cannon
D'Gerolamo	Heine
Giarrusso	Lanier
Hayes	Stephenson
Shannon	Zervigon
Toomy	
Ullo	

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There being 8 yeas and 6 nays, the motion carried.

Mr. Kean offered to add the phrase "Except as otherwise provided in this constitution," after "(B)" on line 12, and also to insert the words "the United States or agency thereof" after the word "state" on line 10. There were no objections to these amendments.

The chairman suggested the word "the" be deleted on line 9, page 2. Mr. Kean accepted this amendment.

Mr. Jackson then offered an amendment to delete the words "in favor thereof" on line 22, page 2. There were no objections to this amendment.

Section 26 was adopted as amended without objections.

Mr. Kean offered a motion that Section 27 be approved. Mr. Lanier suggested that the staff add the Litellier case to the comments. Section 27 was adopted without objection.

The staff presented several recommendations to the committee relative to the final draft of the General Provisions Article. The committee reviewed these recommendations and took action accordingly.

Mr. D'Gerolamo served notice of reconsideration of Section 9 on the following day.

Mr. Kean presented the various amendments suggested by the bond attorneys relative to the provisions drafted by the Finance Subcommittee.

The committee recessed at 4:00 p.m. until 9:00 a.m. on Friday, June 29, 1973.

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Friday, June 29, 1973, 9:00 a.m.

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

Present: Chalin O. Perez	Absent: I. Jackson Burson
Joseph Conino	H. M. Fowler
Johnny Jackson	J. E. Stephenson
Terry Reeves	Dorothy Mae Taylor
R. Gordon Kean	
Harvey Cannon, Jr.	
Ethan Chatelain	
Mayor Pete Heine	
Edward D'Gerolamo	
Joseph Giarrusso, Sr.	
George Dewey Hayes	
Walter Lanier, Jr.	
V. C. Shannon	
Jospeh F. Toomy	
Frank Ullo	
Mary Zervigon	

The chairman called the meeting to order and Mr. Kean offered a motion to adopt the minutes of the meeting of June fifteenth and sixteenth. The motion carried without objection.

The chairman stated that the reconsideration of Section 8.1 (Hayes proposal) was on the floor.

Mr. Kean offered a motion that this section be deleted, however, objection was raised by Mr. Hayes. After considerable discussion, a roll call vote was taken on Mr. Kean's motion.

Yeas: Conino	Nays: Jackson
Kean	Reeves
Heine	Cannon
Giarrusso	Chatelain
Lanier	D'Gerolamo
Toomy	Hayes
Zervigon	Shannon
	Ullo

There being 8 nays and 7 yeas, the motion failed. Mr. Kean

stated that he was going to file a minority report.

Mr. Shannon explained his vote saying that he voted for this proposal in order to get in on the floor of the convention

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so it could be considered by more of the delegates.

Mr. Jackson offered a motion to reconsider the vote by which Mr. Kean's motion failed and that it be tabled. However, the chairman ruled that the matter was brought up for reconsideration once, and could not be reconsidered again.

Mr. Toomy stated that at the last meeting, the author of this provision indicated that he would submit a definition of the term "unincorporated settlement". However, this matter was delayed until consideration of the definition section.

The chairman then stated that a notice of reconsideration was served on Section 9. A roll call vote was taken on the matter of reconsideration.

Yeas: Jackson	Nays: Conino
Reeves	Kean
Cannon	Chatelain
D'Gerolamo	Heine
Hayes	Giarrusso
Shannon	Lanier
Toomy	Zervigon
Ullo	

There being 8 yeas and 7 nays, Section 9 was up for reconsideration. Mr. D'Gerolamo offered a motion to delete Section 9 as adopted by the committee and to adopt in lieu thereof the following provision:

"No law requiring an increase in expenditures or deductions from the funds of a political subdivision, except a law providing for civil service, minimum wages, working conditions, and retirement benefits for firemen and policemen, shall have effect until approved by ordinance enacted by the governing authority of the political subdivision affected thereby or until the legislature appropriates funds to the affected political subdivision for that purpose and only to the extent and amount that such funds are provided."

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Mr. Toomy offered an amendment to delete the words "for civil service, minimum wages, working conditions, and retirement benefits for firemen and policemen", and insert in lieu thereof "minimum pay or pensions and retirement benefits for municipal firemen and policemen".

During discussion, Mr. Kean stated his objection to lobbyists talking to members of the committee while in session. The chairman agreed, and also urged the committee members to stay seated.

Mr. Giarrusso called for the question on Mr. Toomy's amendment. The amendment was rejected by a vote of 14 nays and 1 yea from Mr. Toomy.

Mr. Lanier then offered an amendment to insert "for salaries of local public officials or for wages, hours, working conditions, pension and retirement benefits, vacation or sick leave benefits of political subdivision employees, or an increase in commissions of or for local political subdivision offices" after the word "subdivision" on line 14

and before the word "except" on line 15. Mr. D'Gerolamo accepted this amendment.

Mr. Lanier then offered another amendment to add a semicolon after the word "provided" at the end of the proposal and insert "provided, however, the exception set forth herein relating to laws providing for civil service, minimum wages, working conditions, and retirement benefits for firemen and policemen shall not have effect in local governmental subdivisions operating under a home rule charter,

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as provided for in Sections 6 and 7 of this Article." A roll call vote was taken on this amendment.

Yeas: Conino	Nays: Jackson
Kean	Reeves
Chatelain	Cannon
Heine	D'Gerolamo
Giarrusso	Hayes
Lanier	Shannon
Zervigon	Toomy
	Ullo

There being 8 nays and 7 yeas, the amendment was defeated.

Mr. Kean offered an amendment to change the period at the end of the proposal to a semicolon and add "provided, however, in the case of any legislative increase for firemen and policemen, the local governing authority may submit the question of providing for said increase to the electors of the affected local governmental subdivision, and such increase shall not become effective until approved by a majority of the electors voting in the election held for that purpose." A vote was taken on this amendment:

Yeas: Conino	Nays: Jackson
Kean	Reeves
Chatelain	Cannon
Heine	D'Gerolamo
Giarrusso	Hayes
Lanier	Shannon
Zervigon	Toomy
	Ullo

There being 8 nays and 7 yeas, the amendment was rejected.

Mr. Shannon then called for the original motion by Mr. D'Gerolamo to accept his proposal for Section 9 as amended by Mr. Lanier.

Yeas: Jackson	Nays: Conino
Reeves	Kean
Cannon	Chatelain
D'Gerolamo	Heine
Hayes	Giarrusso
Shannon	Lanier

8

(Roll call vote continued)

Yeas: Toomy
Ullo

There being 8 yeas and 7 nays, the proposal was adopted.

The chairman explained that the Provisions on Finance would be discussed next, a copy of which is attached.

Mr. Toomy, chairman of the Subcommittee on Finance, explained Section 1. There were no objections to the adoption of Section 1 as recommended by the subcommittee.

During discussion of Section 2(A), Mr. Reeves offered a motion to delete the words "and in Jackson Parish the

limitation shall be five mills." However, he later withdrew this motion.

Mr. Shannon offered a motion to delete the word "operating" on line 26, page 1, as suggested by the bond attorneys. The motion carried without objection.

There were no objections to the motion by Mr. Kean to delete the words "in favor thereof" on line 32, page 1.

There were no objections to the adoption of Section 2(A).

Mr. Kean offered a motion to delete the word "operating" on line 35, page 1; and the word "for" on line 4, page 2, and insert in lieu thereof the word "forth". The motion carried without objection.

Mr. Shannon moved the adoption of Section 2(B) as amended. Hearing no objections, the chairman so ordered.

Mr. Kean offered a motion to delete the word "operating" on line 5, page 2; and on line 7, between the word "levy" and "on" insert the phrase "without a vote of the electors". He

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also moved to delete the word "operating" on line 12, page 2. There were no objections to the motion, and Mr. Shannon moved for adoption of Section 2(C). Without objection, the chairman so ordered.

Mr. Toomy offered a motion to adopt Section 2(D) as reported by the subcommittee, and the motion carried without objection.

Mr. Toomy then offered a motion to adopt the entire Section 2, and the motion carried without objection.

Mr. Reeves served notice of reconsideration of Section 2(A) for the following morning.

Mr. Zervigon offered an amendment to delete the words "in favor thereof" on line 12, page 3, and there were no objections to this amendment.

Mr. Kean suggested the deletion of the word "operating" on line 4, page 3, and the chairman so ordered.

Mr. Kean offered a motion to adopt Section 3(A), and the motion carried without objection.

A motion was offered by Mr. Kean to delete the word "operating" on line 15, page 3, and there were no objections to this motion.

Mr. Toomy offered a motion to adopt Section 3(B), and with no objections, the chairman so ordered.

Mr. Chatelain then moved to adopt Section 3(C) as written, and the motion carried without objection.

A motion was then offered by Mr. Toomy for the adoption of Section 3 as amended, and the motion carried without objection.

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Mr. Kean offered a motion to place "(A)" after "Section 4.", and to place a period after the word "ratified" on line 17, page 4, and delete the remainder of lines 17, 18, 19, and 20. His motion also included adding "(B) For the

purpose of acquiring, constructing, improving, maintaining, and operating any work of public improvement, any political subdivision may levy special taxes when authorized by a majority of the electors voting in an election held for that purpose." The motion carried without objection.

There were no objections to the adoption of Section 4 as amended, and the adoption of Section 5 as reported by the subcommittee.

Mr. Kean offered an amendment to Section 6 to delete the semicolon after the word "state" on line 19, page 5, and add the word "or" between the words "state" and "(2)". However, Mrs. Zervigon offered a motion to delay consideration of Section 6 until after lunch.

Mr. Perez submitted a proposal relative to local and parochial government finance authorizing sales tax (copy attached). However, discussion was delayed until after lunch.

Upon reconvening from lunch, Mr. Perez's proposal was under consideration. Mr. Kean offered an amendment to add "Except as otherwise authorized by a home rule charter provided for in Sections 6 and 7 of this Article, local" after "(A)" on line 14, page 1 of Mr. Perez' proposal. Mr. Perez accepted this amendment.

Mr. Chatelain moved the adoption of Paragraph A as amended, but there was objection raised by Mr. Jackson. A

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roll call vote was taken on the motion, and the motion carried with 14 yeas and one nay from Mr. Jackson.

Mr. Perez amended his proposal to delete the words "at an election held therein; provided," on line 27; all of line 28; and the words "position of the tax shall be" on line 29; and insert the word "and" in lieu thereof. His amendment also included adding a period after the word "purpose" on line 30, and deleting the word "as" on line 30 and all of line 31. This amendment was accepted.

Mr. Reeves moved adoption of Paragraph B, and the motion carried without objection.

Mrs. Zervigon offered a motion to place a comma after the word "subdivision" on line 35, and add the phrase "provided, that such exemption or exclusion shall also apply to state sales and use taxes." The motion carried without objection.

Mr. Chatelain then offered a motion to adopt Paragraph C as amended, and with no objections, the chairman so ordered.

Mrs. Zervigon moved to delete Paragraph D in its entirety, and the motion carried without objection.

Mr. Chatelain then offered a motion to adopt the entire section as amended, and the motion carried unanimously.

Mrs. Zervigon offered a motion to delay consideration of Sections 6 and 6.1 until tomorrow morning, and the chairman so ordered.

Mr. Kean offered a motion to delete the word "principal" on line 4, page 6, and the words "of and interest on all"

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and the words "that are payable" on line 5, and line 6 in its entirety and insert in lieu thereof the words "general obligation". His motion also included inserting the words "this constitution or the terms of" after the word "of" on line 7; and after the word "interest" on line 12, insert the words "and redemption premiums, if any,". There were no objections to this motion or to the adoption of Section 7.

Mr. Kean offered a definition of the term "general obligation bonds" to read as follows:

"Bonds, the principal and interest of which are secured by and payable from ad valorem taxes levied without limitations as to rate or amount shall be termed general obligation bonds."

It was ordered that this definition be included in the general definition section at the end of the general provisions.

Mr. Kean offered an amendment to add the words "General obligation" before the word "Bonds" on line 28, and to change "Bonds" to "bonds"; and to delete the remainder of line 28 and the words "without limitation as to rate or amount" on line 29. Mr. Kean's amendment also included deleting the words "in number" on line 30, page 6; "voting on the proposition" on line 32; "Funding and" on line 32; and "funded or" on line 35. The amendment carried without objection.

Mrs. Zervigon offered an amendment to insert the words "voting on the proposition at an election" between the words "electors" and "in" on line 31, page 6. The amendment carried without objection.

Mr. Kean then moved to delete the words "funding or" on line 1, page 7, and the words "funded or" on line 5, page 7. The motion carried without objection.

13

Section 8 was adopted as amended without objection.

Mr. Kean offered a motion to defer action on Section 9. Mr. Lanier distributed a minority report relative to Section 9 that he submitted to the Subcommittee on Finance after adoption of this Section. Mr. Kean later withdrew his motion to defer action.

A motion was then offered by Mr. Kean to insert the words "General obligation" after "(A)" on line 34, page 7; and change the word "Bonds" to "bonds". This motion also included deleting "which are payable wholly or in" on line 34; line 35 in its entirety; and the words "to rate or amount" on line 1, page 8. There were no objections to this motion.

Mr. Kean then amended the remainder of Paragraph A as follows: Delete the word "one" on line 2 and insert in lieu thereof the word "single"; after the word "purpose" and before the word "which," insert the words "designated by the legislature"; delete the word "taxable" on line 7;

insert the word "roll" after the word "assessment" on line 8; delete the words "state and parish purposes" on line 8, and insert in lieu thereof the words "the political subdivision"; delete the words "applicable to each" on line 11, and the word "district" on line 12; and change the period after the word "property" to a comma and add "and except as to general obligation industrial development bonds, such limitation shall be twenty percent of the assessed valuation of the property." There were no objections to these amendments.

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Mr. Lanier offered a motion to substitute the following language for Paragraph A of Section 9:

"For all purposes the general obligation bonds of a political subdivision, including the existing general obligation bonds of such political subdivision, shall not exceed in the aggregate ten percent of the fair-market value of the taxable property in the political subdivision as listed on the assessment rolls of the political subdivision last completed prior to the delivery of such bonds."

A roll call vote was taken on Mr. Lanier's motion.

Yeas: Lanier  
Shannon  
Ullo

Nays: Conino  
Reeves  
Kean  
Cannon  
Chatelain  
Heine  
D'Gerolamo  
Giarrusso  
Hayes  
Toomy  
Zervigon

There being 11 nays and 3 yeas, the motion was defeated.

A motion was offered for the adoption of Paragraph A as amended by Mr. Kean, and it carried without objection.

Paragraph B was amended by deleting the words "that financing" on line 14 and inserting in lieu thereof the word "financing"; and deleting the word "operates" and inserting "operating". The word "is" was also deleted on line 15. There were no objections to the adoption of Paragraph B as amended.

Paragraph C was adopted as reported without objection.

Paragraph D was amended by deleting the words "of drainage districts on line 24, page 8, and inserting in lieu thereof "and other debt obligations"; and by deleting the words "and refunding bonds" on line 25, placing a comma after the word "taxes" on line 25, and inserting

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the words "sales and use taxes, excess revenues, special assessments, or other special revenues,". Paragraph D was adopted as amended.

Mr. Kean amended Section 10 A as follows: delete the word "special" on line 24, page 9; delete the word "special" on line 31 and insert in lieu thereof "debt assumption"; insert the phrase "incur or assume debt, levy the tax, or" between the words "to" and "issue" on line 34; and insert the words "and other revenues" between the words "taxes" and "necessary" on line 35.

Mr. Conino moved the adoption of Paragraph A as amended, and the motion carried without objection.

Mr. Kean amended Paragraph B as follows: insert the words "or other debt obligation" between the words "bonds" and "by" on line 4, page 10; delete the words "a newspaper published in" and insert in lieu thereof "the official journal of"; insert the words "or other debt obligations" between the words "bonds" and "authorized" on line 10, page 10; insert the words "or other debt obligations," between the words "bonds," and "and" on line 14; insert the word "thereof" between the word "provisions" and "for"; and insert the words "or other debt obligation" between the words "bonds," and "including" on line 17, and between the words "bonds" and "were" on line 18.

Mr. Chatelain offered a motion to adopt Paragraph B as amended, and the motion carried without objection.

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Mr. Kean offered an amendment to insert the word "acquiring" between the words "of" and "constructing" on line 3, page 11; and the motion carried without objection.

Paragraph A of Section 11 was adopted as amended.

Mr. Kean then moved to delete the second "the" on line 6, page 11, and insert in lieu thereof the words "any such"; and to delete the words "to the" on line 9; and delete line 10 in its entirety.

Mayor Heine moved the adoption of Paragraph B as amended, and the chairman so ordered.

Mr. Kean amended Paragraph C as follows: delete the words "that has issued" on line 12, page 11, and insert in lieu thereof the word "issuing"; delete the words "has pledged" on line 13, page 11, and insert in lieu thereof the word "pledging"; delete the word "for" on line 14 and insert in lieu thereof the word "to"; and place a comma after the word "certificates" and delete the remainder of line 20, page 11.

Dr. Ullo offered a motion to adopt Paragraph C as amended by Mr. Kean, and the motion carried without objection.

Mr. Toomy then offered a motion to adopt the entire Section 11 as amended, and the motion carried unanimously.

Mr. Kean amended Section 12 as follows: delete the word "corporations" on line 5, page 12, and on line 11, page 12, and insert in lieu thereof the word "subdivisions"; and insert the words "or other debt obligation" between the words "bonds" and "for" on line 5 and between the

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words "bonds" and "may" on line 7.

Mr. Conino moved the adoption of Section 12 as amended, and the motion carried without objection.

Sections 3 and 6 of the Levee District Provisions were considered by the committee. Paragraph B of Section 3 was amended to read:

"Bonds issued under the authority of the foregoing provision shall be sold in accordance with applicable provisions of the Louisiana Revised Statutes relating to the issuance of bonds by levee districts."

Sections 3 was adopted as amended and Section 6 was adopted as reported by the subcommittee.

A copy of the proposal relative to ports was distributed to the members of the committee and considerable discussion ensued concerning this matter.

Mr. Reeves offered a motion to adjourn, but objection was heard and a roll call vote was taken:

Yeas: Hayes	Nays: Cannon
Reeves	Chatelain
Toomy	Conino
	D'Gerolamo
	Giarrusso
	Jackson
	Kean
	Lanier
	Shannon
	Ullo
	Zervigon
	Heine

There being 12 nays and 3 yeas, the motion failed.

Mr. Cannon then offered an amendment to Section 1 of this proposal to add the phrase "as set forth in this constitution except by a two-thirds vote of the legislature." at the end of the section. Objection was raised and the amendment failed by a vote of 14 nays and 1 yea from Mr. Cannon.

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Mr. Kean then offered a motion to delete lines 13 through 23 up to the word "authorities" and delete the word "three" between the words "the" and "established" on line 26, page 1. Mr. Chatelain called for the question on this motion, and a roll call vote was taken:

Yeas: Cannon	Nays: Chatelain
Giarrusso	Conino
Jackson	D'Gerolamo
Kean	Hayes
Reeves	Lanier
Shannon	Ullo
Toomy	
Zervigon	
Heine	

There being 9 yeas and 6 nays, the motion carried.

Mr. Toomy offered a motion to label Mr. Kean's previous motion as Paragraph A of Section 1 and insert Mr. Perez's proposed Section 4 as Paragraph B of Section 1. A roll call vote was taken on Mr. Toomy's motion, and it passed by a vote of 14 yeas and 1 nay from Mr. Lanier.

Mr. Kean suggested that the provisions be adopted and the order of the sections could be determined later, and the chairman so ordered.

Mr. Giarrusso offered a motion to recess until 9:00 a.m. the next morning, but objection was raised and a roll call vote was taken:

Yeas: D'Gerolamo	Nays: Cannon
Giarrusso	Chatelain
Hayes	Conino
Jackson	Kean

Reeves  
Heine

Lanier  
Shannon  
Toomy  
Ullo  
Zervigon

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There being 9 nays and 6 yeas, the motion failed.

Mr. Kean then offered a motion to add Paragraph C and D as follows:

"C. Unless otherwise provided in this constitution, the legislature may only affect the structure and organization of the established deep-water ports by act passed by at least a two-thirds vote of the elected membership of each house of the legislature.

D. The legislature may by law grant additional powers and functions to such established deep-water ports; provided, however, that if such grant of additional powers and functions affects the powers and functions of any other deep water port provided in this Section, at least a two-thirds vote of the membership of each house of the legislature shall be required."

There were no objections to Mr. Kean's motion.

Mr. Kean then offered a motion for the adoption of Paragraphs A, B, C, and D of Section 1, and a roll call vote was taken:

Yeas: Kean  
Shannon  
Zervigon  
Heine

Nays: Cannon  
Chatelain  
Conino  
D'Gerolamo  
Giarrusso  
Hayes  
Jackson  
Lanier  
Reeves  
Toomy  
Ullo

There being 11 nays and 4 yeas, the motion failed.

Mr. Lanier moved to recess until 9:00 a.m. on Saturday, June 30, 1973, and the chairman so ordered.

The committee recessed at 5:30 p.m.

20

Saturday, June 30, 1973, 9:00 a.m.

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

Present: Chalin Perez  
I. Jackson Burson  
Joseph Conino  
Johnny Jackson  
Terry Reeves  
R. Gordon Kean  
Harvey Cannon, Jr.  
Mayor Pete Heine  
Joseph Giarrusso, Sr.  
George Dewey Hayes  
Walter Lanier, Jr.  
V. C. Shannon  
Joseph F. Toomy  
Frank Ullo  
Mary Zervigon

Absent: Ethan Chatelain  
Edward D'Gerolamo  
H. M. Fowler  
J. E. Stephenson  
Dorothy Mae Taylor

Mr. Toomy offered a motion to adopt the following language for the proposal relative to ports:

"All deep water port commissions and all deep water port, harbor, and terminal districts as they are now organized and constituted, including their powers and functions, structure and organization, and territorial jurisdiction, are ratified and confirmed and shall continue to exist, except that:

(A) The legislature may diminish, reduce, or withdraw from any such commission or district, including the Board of Commissioners of the Port

of New Orleans, any of its powers and functions and may affect the structure, organization, distribution, and redistribution of the powers and functions of any such commission or district, including its territorial jurisdiction, only by act passed by at least a two-thirds vote of the elected membership of each house;

(B) The legislature may by law grant additional powers and functions to any such commission or district and may create new port commissions or port, harbor, and terminal districts by law; provided, however, in so doing the legislature shall not restrict or diminish the powers and functions, structure and organization, or territorial jurisdiction of an established deep-water port except by at least a two-thirds vote of the elected membership of each house."

21

After considerable discussion, a roll call vote was taken on Mr. Toomy's motion. The motion carried with 10 yeas and 2 nays from Mr. Giarrusso and Mrs. Zervigon.

Mr. Cannon offered a definition of deep-water ports to read as follows:

"Deep water'as used regarding port commissions and port, harbor and terminal districts, means those ports which are capable of accomodating vessels of at least twenty-five feet of draft and engaged in foreign commerce."

There were no objections to the adoption of this definition.

Mr. Toomy then offered a motion to adopt the following language as Section 2 of this proposal:

"No channels, locks, wharves, docks, or other permanent structures shall be sponsored, constructed, caused to be constructed, or permitted by a deep water port commission or by a deep-water port, harbor and terminal district until and unless the governing authority of such parish in which the works are proposed, by ordinance, approved such action or proposed works."

However, Mr. Hayes offered a substitute motion to delay action on Mr. Toomy's motion, and a roll call vote was taken:

Yeas: Conino  
Cannon  
Hayes  
Zervigon

Nays: Burson  
Jackson  
Reeves  
Heine  
Giarrusso  
Lanier  
Toomy  
Ullo

There being 8 nays and 4 yeas, the substitute motion failed.

Mr. Toomy withdrew his motion and offered another motion to adopt the following language:

"Notwithstanding the above provisions of this Section, the legislature shall by law provide for the restructuring and reorganization of the Board of Commissioners of the Port of New Orleans and the redefining of it. There-

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after the legislature may only affect the Board of Commissioners of the Port of New Orleans as provided in Paragraphs 1 and 2 of this Section, except that no change in territorial jurisdiction of said port commission shall affect the territorial jurisdiction of any other existing deep-water port. "

Mrs. Zervigon offered a substitute motion offering the following language:

"Notwithstanding the above provisions of this Section, the legislature may at its first or second regular session after the adoption of this constitution, by a majority vote of each house, change the territorial jurisdiction, method of selection, and/or

composition of the Board of Commissioners of the Port of New Orleans, except that no change in territorial limits of said port commission shall affect the territorial limits of any other existing deep-water port."

A roll call vote was taken on Mrs. Zervigon's substitute motion:

Yeas: Jackson	Nays: Burson
Reeves	Conino
Kean	Cannon
Heine	Hayes
Giarrusso	Lanier
Shannon	Toomy
Zervigon	Ullo

There being a tie vote, the chairman voted "nay", and the substitute motion failed.

Mr. Toomy amended his original motion to read as follows:

- "A. Notwithstanding the above provisions of this Section, the legislature shall by law provide for a change in the method of selection and composition of the Board of Commissioners of the Port of New Orleans and define its territorial jurisdiction.
- B. After the exercise of authority as provided in Paragraph A above, the legislature may only affect the Board of Commissioners of the Port of New Orleans as provided in Paragraphs 1 and 2 of this Section except that no change in the territorial jurisdiction of said port commission shall affect the territorial jurisdiction of any other existing deep water port.

23

- C. In the event the legislature does not exercise the authority granted in Paragraph A above, within ten years after the adoption of this constitution, the composition and territorial jurisdiction of said port shall not be changed except in compliance with Paragraphs 1 and 2 of this Section."

A roll call vote was taken on this motion:

Yeas: Conino	Nays: Burson
Jackson	Giarrusso
Reeves	Lanier
Kean	
Cannon	
Heine	
Hayes	
Shannon	
Toomy	
Ullo	
Zervigon	

There being 11 yeas and 3 nays, the motion carried.

Mr. Kean stated that he did not think this provision is good constitutional law, but since it appears to be a reasonable solution, he voted yes.

Mr. Shannon then offered a motion that the committee move on to other business, but Mr. Cannon raised objection.

A roll call vote was taken on Mr. Shannon's motion.

Yeas: Burson	Nays: Cannon
Conino	Toomy
Jackson	Ullo
Reeves	
Kean	
Giarrusso	
Hayes	
Lanier	
Shannon	
Zervigon	

There being 10 yeas and 3 nays, the motion carried.

Mrs. Zervigon called for a reconsideration of Section 6 and 6.1 of the Finance Provision, and the chairman so ordered.

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Section 6 authorizes occupational license taxes as follows:

"Local governmental subdivisions may impose an occupational license tax in an amount not greater than that imposed by the state. Local governmental subdivisions may impose an occupational license tax in an amount greater than that imposed by the state when so authorized by an act passed by at least a two-thirds vote of the elected membership of each house of the legislature."

There were no objections to the adoption of this section.

Discussion ensued on Section 6.1, and Mr. Lanier moved the previous question on whether or not to adopt this section. Objection was raised on the call for the previous question and a roll call vote was taken:

Yeas: Burson	Nays: Jackson
Conino	Reeves
Giarrusso	Kean
Lanier	Cannon
Shannon	Hayes
Ullo	Toomy
	Zervigon

There being 7 nays and 6 yeas, the order for the previous question failed.

Mr. Kean suggested an amendment to place a period after the word "legislature" on line 23, and delete the remainder of the section. Mrs. Zervigon accepted the amendment and offered a motion to adopt Section 6.1 to read as follows:

"No local governmental subdivision may levy and collect taxes upon or measured by income or earnings, except when authorized by an act passed by at least a two-thirds vote of the elected membership of each house of the legislature."

A roll call vote was taken on Mrs. Zervigon's motion:

Yeas: Kean	Nays: Burson	Shannon
Cannon	Conino	Toomy
Zervigon	Jackson	Ullo
	Reeves	
	Giarrusso	
	Hayes	
	Lanier	

25

There being 10 nays and 3 yeas, the motion failed.

Discussion then began on the provision submitted by the Subcommittee on the Affairs of the City of New Orleans.

Mr. Reeves offered a motion to delete the provision submitted, but later withdrew his motion.

Mr. Lanier offered an amendment to change the words "Vieux Carre Commission" on line 8 to "historic preservation districts"; place a comma after the word "structures" on line 11, delete the word "and", and add the words "and districts" after the words "areas". His amendment also included inserting the words "areas and districts" after the words "preservation" on line 19; inserting the word "for" between the words "be" and "a" on line 21; and deleting lines 22, 23, 24, 25, 26, 27, 28, 29, 30, and up to the word "River" on line 31. Mrs. Zervigon accepted the amendment.

Mrs. Zervigon then offered a motion for the adoption of the proposal which reads as follows:

"Historic Preservation Districts. In order to promote the educational, cultural, economic and general welfare of the public through the preservation and protection of buildings, sites, monuments, structures, areas, and districts, of historic or architectural interest or importance, each local

governmental subdivision of the state, acting through a commission or otherwise, shall have the power and authority to establish, operate, and maintain historic preservation areas and districts by the adoption of appropriate ordinances and laws, which is hereby declared to be for a public purpose. The governing authority of each local governmental subdivision shall have the power and authority of review to affirm, reverse or modify, in whole or in part, any action or decision of such commissions."

A roll call vote was taken on Mrs. Zervigon's motion, and

there being 11 yeas and 1 nay from Mr. Burson, the motion carried.

Mr. Kean offered a motion to adopt the recommendations submitted by the Subcommittee on the Affairs of the City of New Orleans, and that they be included in the report of the full committee. With no objections the chairman so ordered. ( A copy of these recommendations is attached hereto and made a part of these minutes.)

Mr. Hayes offered a definition of the term "unincorporated settlement" as follows:

"Unincorporated settlement means a defined geographic area containing 150 or more inhabitants existing entirely within a parish and not included within the territorial limits of an incorporated municipality."

Mr. Burson offered an amendment to change "150" to "5000", but Mr. Cannon raised objection and a roll call vote was taken:

Yeas: Burson	Nays: Conino
Kean	Jackson
Giarrusso	Reeves
Toomy	Cannon
Zervigon	Hayes
	Lanier
	Shannon

There being 7 nays and 5 yeas, the amendment failed.

Mr. Jackson offered a motion to adopt the definition as proposed by Mr. Hayes and a roll call vote was taken.

The definition failed to pass by a vote of 9 nays and 2 yeas from Mr. Cannon and Mr. Hayes.

Mr. Reeves distributed copies of Staff Memorandum No. 27 relative to Extraterritorial Powers of Local Government, a copy of which is attached hereto and made a part of these minutes.

The committee adjourned at 5:00 p.m.

  
Chafin G. Perez, Chairman

  
R. Gordon Kean, Secretary

RECOMMENDATIONS OF THE SUBCOMMITTEE ON THE AFFAIRS OF NEW ORLEANS RELATIVE TO THOSE PROVISIONS OF THE LOUISIANA CONSTITUTION OF 1921 AS ASSIGNED BY THE CHAIRMAN OF THE COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT

ARTICLE XIV.

Section 22(A): Vieux Carre Commission

Recommendation: The subcommittee recommends that the commission be retained in the constitution.

Comment: The above recommendation reflects the subcommittee's belief that the commission has unique functions and that the extensive historical, cultural values and considerable economic benefits of the Vieux Carre can only be preserved if the Vieux Carre Commission retains its constitutional status.

The requirement that a private citizen maintain the exterior of his property for the benefit of the public without compensation is an unusual one and must be sanctioned in unusual ways. The expression by the voters of the State of Louisiana in establishing Vieux Carre as a constitutional entity and the assertions of the Louisiana Constitution sustaining its public purpose are necessary and proper sanctions.

Such judicial opinions as that of the Louisiana Supreme Court in Vieux Carre Property Owners v. City of New Orleans lead this subcommittee to believe that the commission must have constitutional status in order for its recommendations to maintain parity with state statute, regulations by state agencies, and even local ordinance.

The risk involved in removing the commission from the constitution is too great. Tourism is the second industry of Louisiana and visitors to Louisiana flock to the Vieux Carre. Should the commission not be able, effectively, to perform its functions, irreplaceable old buildings would be demolished or altered before the commission's constitutional provisions could be reinstated. Since there is no way to replace a one hundred-fifty year-old building, and since the demolition or alteration of even one building affects the appearance of all the surrounding area, the subcommittee considers this risk too great to take. The presence of such risk and the absence of any compelling reason to remove the provision on the Vieux Carre Commission from the constitution compel the subcommittee to recommend that constitutional status be retained.

Finally, it is noted that the provisions in the present constitution concerning the Vieux Carre Commission have never been amended.

Section 23 and Sections 23.1 - 23.43, Inclusive: New Orleans; Sewerage and Water System

Recommendation: The subcommittee recommends that the pro-

visions of Section 23 and Sections 23.1 through 23.43, inclusive, which provide for a sewerage and water system

-2-

for the city of New Orleans, be deleted and placed in the statutes.

Comment: The subcommittee's recommendation is based on its belief that the sewerage and water board is purely local in function, financing, and impact; and therefore, it should be controlled, ultimately, by the people of the city of New Orleans, acting through their local government. The subcommittee takes the position that the sewerage removal and treatment, drainage and water purification and supply functions of the city of New Orleans should be exercised as the citizens of that city see fit, subject only to such general laws as the legislature may provide.

It is the position of the subcommittee that the Sewerage and Water Board, or any successor body charged with providing the services that the board now provides, retain all powers, assets, revenues, and obligations now enjoyed by the board.

Section 24 and Section 24.2 - 24.23, Inclusive: New Orleans; Board of Liquidation of City Debt

Recommendation: The subcommittee recommends that the provisions of Section 24 and Sections 24.2 through 24.23, inclusive, which provide for a Board of Liquidation of City Debt of the city of New Orleans, be deleted and placed in the statutes as an interim measure.

Comment: The subcommittee takes the position that the board has fulfilled its historic mission, i.e., stabilizing the financial situation of New Orleans. Therefore, there

-3-

is no longer a need for constitutional status. Its functions are local in nature and can be effectively provided for in the statutes. Ultimately, the subcommittee feels that the board should be placed under the exclusive jurisdiction of the city of New Orleans.

Section 25: New Orleans; Special Tax for Fire and Police Departments

Recommendation: The subcommittee recommends that this provision be deleted and that the authority to levy this millage be included in a general provision ratifying and continuing special taxes.

Comment: The subcommittee was given formal assurance by the city administration that provisions would be made to incorporate the necessary salary schedule by civil service to maintain the amount of money that would be taken away by the removal of millage provisions.

Section 25.1: New Orleans; Special Tax for General Municipal Purposes

Recommendation: The subcommittee recommends that this provision be deleted and the authority to levy this millage be included in a general provision ratifying and continuing special taxes in Baton Rouge.

Comment: The subcommittee was given formal assurance by the city administration that provisions would be made to incorporate the necessary salary schedule by civil service to maintain the amount of money that would be taken away by the removal of millage provisions.

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Section 26: New Orleans; Public Belt Railroad

Recommendation: The subcommittee deferred any recommendation pending receipt of a report by a joint committee composed of the Public Belt Commission, Dock Board, city of New Orleans, and the Domed Stadium Board.

Section 27: New Orleans; Public Belt Railroad; Bonds and Notes

Recommendation: The subcommittee deferred any recommendation pending receipt of a report by a joint committee composed of the Public Belt Commission, Dock Board, city of New Orleans, and the Domed Stadium Board.

Section 28: New Orleans; Public Belt Bridge Over Mississippi; Use; Financing

Recommendation: The subcommittee deferred any recommendation pending receipt of a report by a joint committee composed of the Public Belt Commission, Dock Board, city of New Orleans, and the Domed Stadium Board.

Section 31.1: New Orleans; Bond Issue to Purchase Ferry Systems

Recommendation: The subcommittee recommends that the provision be deleted.

Comment: The bonds authorized by this provision to purchase a ferry system have been paid; therefore, this provision is obsolete.

Section 31.3: New Orleans; Railroad Passenger Stations

Recommendation: The subcommittee recommends that the section be deleted and placed in the statute. If further recommendation that there be specific provisions in the constitution that the city of New Orleans shall retain full ownership of the property described above.

-5-

Comment: The above recommendation reflects the subcommittee's views that the provisions of this section are not of constitutional import and should best be treated in the Revised Statutes, except that the ownership of all properties described in the above section should be expressly vested in the city of New Orleans.

Section 31.4: New Orleans; Upper Pontalba Building; Re-financing Obligations

Recommendation: The subcommittee recommends that the section be deleted.

Comment: This section deals with the issuance of bonds for re

financing the Upper Pontalba Building. The bonds have been paid; therefore, the section is obsolete.

Section 31.7: New Orleans; Vehicular and/or Pedestrian Crossing Over or Under Inner Harbor Navigation Canal

Recommendation: The subcommittee recommends that the provision be deleted and placed in the statutes.

Comment: The subcommittee does not feel that the above section is of constitutional import and should therefore be deleted and placed in the statutes.

Section 47: Louisiana Stadium and Exposition District

Recommendation: The subcommittee recommends that the section be deleted from the constitution and placed in the statutes. It further recommends that there be a general provision in the constitution permitting such special districts to refinance their bonds.

Comment: The subcommittee does not feel that the above district

-6-

is of constitutional import and should therefore, be deleted and placed in the statutes. It does, however, recommend that the bonds issued by the said district be protected through an appropriate general provision in the constitution.

ARTICLE XIX.

Section 20: New Basin Canal and Shell Road; New Orleans Union Railroad Passenger Terminal Facility

Recommendation: The subcommittee recommends that the section be deleted.

Comment: The provisions under this section including but not limited to the authority to construct, maintain, and operate a union passenger terminal facility have been complied with, therefore, the section is obsolete.

GENERAL RECOMMENDATION: The Subcommittee on the Affairs of New Orleans recommends to the Subcommittee on General Provisions that the bonds and bondholders affected by the above sections, here considered, be protected by placing a general provision in the new constitution.

-7-

NOTES

Staff Memo No. 27 is reproduced below in Chapter III.

CC-

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Perez

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5 A PROPOSAL

6

7 Relative to local and parochial government finance.

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9 Be it adopted by the Constitutional Convention of Louisiana of 1973:

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12 Article\_\_\_\_, Section 1. Local Governmental Subdivisions; Sales Tax Authorized

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14 Section 1. (A) Local governmental subdivisions and school districts are authorized to levy and collect a tax upon the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property, and on sales of services, as defined by law; provided, however, that the rate thereof when combined with the rate of all other presently imposed or future sales and use taxes, exclusive of state sales and use taxes, levied and collected within any local governmental subdivision shall not exceed three percent.

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24 (B) No tax authorized in paragraph (A) of this Section shall become effective until a proposition for the imposition thereof is submitted to the electors of the affected local governmental subdivision at an election held therein; provided, however, that before taking effect the proposition for the imposition of the tax shall be approved by a majority of the electors who vote in the election held for that purpose, as hereinabove provided for.

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33 (C) The legislature shall have the authority by general law to exempt or exclude any goods or tangible personal property or services from any sales and use tax levied by a local governmental subdivision.

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1 (D) The legislature by general or special law may authorize the imposition of additional sales and use taxes, provided that such taxes are approved by the electors of the local governmental subdivision as provided in paragraph (B) of this Section.

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7 Source: New

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9 Comment: The present authority for municipalities and parishes to levy a sales tax is statutory (R.S. 33:2711 et seq.).

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MINUTES

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

Held pursuant to notice given by the Secretary of  
the Convention on July 11, 1973

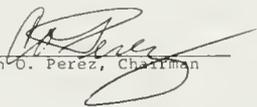
Committee Room 9 - State Capitol

Baton Rouge, Louisiana

Thursday, July 12, 1973, 9:00 a.m.

Mr. Hayes stated that a get-well card was being sent  
to Mr. Cannon from the members of the committee.

The committee adjourned at 12:15 p.m.

  
Chalin O. Perez, Chairman

R. Gordon Kean, Secretary

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

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

**NOTES**  
Committee report relative to Local  
Government is reproduced at I Journal  
104-133, above.

MINUTES

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

Held pursuant to notice given by the Secretary of  
the Convention on Friday, July 13, 1973

Committee Room 3 - State Capitol

Baton Rouge, Louisiana

Wednesday, July 18, 1973, 10:00 a.m.

Thursday, July 19, 1973, 9:00 a.m.

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

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

The chairman called the meeting to order and stated  
that the minutes of June 28,29,30, 1973 were distributed.  
Mr. Chatelain offered a motion for the adoption of the  
minutes, but Mrs. Zervigon offered a substitute motion that  
the approval of the minutes be delayed until the following  
day. The substitute motion carried without objection.

The committee reviewed the proposal as retyped with  
the changes previously made by the committee.

Mr. Reeves called the meeting to order in the temporary  
absence of the chairman.

Mr. Kean explained that there were numerous technical  
changes that had to be made in the original proposal submitted  
to the convention.

Mr. Lanier offered a motion to rework the proposal  
and reintroduce a revised proposal. There were no objections  
to this motion.

The committee discussed and adopted numerous technical  
changes recommended by the staff and various committee  
members. A copy of the original proposal with the technical  
changes made by the committee is attached hereto and made a  
part of these minutes. It also includes additional technical  
changes made at the July twelfth and nineteenth committee  
meeting.

The committee briefly discussed the comments and made  
several changes but delayed a general discussion and review  
of comments to a future meeting. See attached for changes  
made.

Mr. Jimmy Heyes of the Police Jury Association was  
recognized and stated that the proposal was "the greatest  
thing that has happened to local government."

It was decided that one article would be introduced with Part I as General Provisions; Part II, Finance Provisions; Part III, Levee Districts; Part IV, Ports; and Part V, Definitions. See attached Table of Contents.

Mrs. Zervigon expressed her desire to review the comments prepared by the staff and make whatever changes were necessary. The committee decided to delay this until a future meeting.

The staff read the sections containing the recommended technical changes made by the committee at its meeting on July 12, 1973. Additional technical changes were made. (See proposal attached to July 12 minutes for all technical changes made by the committee.)

The committee adjourned at 11:45 a.m.

Thursday, July 19, 1973

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

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

The chairman called the meeting to order.

The minutes of the meetings of June 28, 29, and 30, 1973, were approved without objection.

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Section 14(A) on vacancy was amended to read as follows:

"Except in the office of sheriff, assessor clerk of a district court, or coroner, a vacancy occasioned by death, resignation, or otherwise in the office of mayor, in the membership of the governing subdivision of a local governmental subdivision or in any other local office filled by election wholly within the boundaries of a local governmental subdivision, shall be filled by appointment by the governing authority of such local governmental subdivision in which the vacancy occurs. A vacancy in the membership of a city or parish school board shall be filled by appointment by the remaining members thereof. A tie vote on such appointment to be made by the governing authority of a local governmental subdivision or school board shall be broken by the presiding officer thereof notwithstanding the fact that he may already have voted thereon."

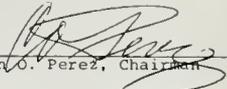
There were no objections to Mr. Toomy's motion to adopt Section 14(A) as amended.

The last sentence of Section 18(A) relative to merger was amended to read as follows:

"No such merger and consolidation shall take effect unless a majority of the electors voting thereon in the local governmental subdivision as a whole and also a majority of the electors voting thereon in the affected special district vote in favor of such proposition."

Mr. Reeves offered the motion to withdraw Committee Proposal No. 8 from the files of the convention, and introduce the revised committee proposal. The motion carried without objection.

The committee adjourned at 12:00 noon.

  
Chalin O. Perez, Chairman

R. Gordon Kean, Secretary

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NOTES  
Table of Contents cited herein is not attached to the Minutes of this committee meeting.

MINUTES

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

Held pursuant to notice mailed by the Secretary in accordance with convention rules

State Capitol, Committee Room 9

Baton Rouge, Louisiana

Thursday, August 2, 1973

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

Present:	Chalin Perez	Absent:	I. Jackson Burson
	Joseph Conino		Harvey Cannon
	Gordon Kean		Joseph Giarrusso, Sr.
	Ethan Chatelain		Mayor Pete Heine
	Edward D'Gerolamo		Johnny Jackson
	H. M. Fowler		Terry Reeves
	George Dewey Hayes		Dorothy Mae Taylor
	Walter Lanier		
	V. C. Shannon		
	J. E. Stephenson		
	Joseph F. Toomy		
	Frank Ullo		
	Mary Zervigon		

The chairman called the meeting to order and the secretary called the roll. A quorum being established, the meeting proceeded.

It was decided that Delegate Proposal No. 1 introduced by Dr. Asseff, relative to pay increases for state policemen would be reported without action with recommendation that it be recommitted to the Committee on Education and Welfare.

The chairman introduced Mr. Louis B. Porterie, who is the attorney for the Mississippi River Bridge Authority. Mr. Porterie stated that the bridge authority would like to preserve the right to be able to finance a new bridge in New Orleans when the location problem is resolved.

Mr. Porterie suggested an amendment in Committee Proposal No. 17 to insert the word "discretionary" between the words "following" and "powers" on line 26, page 9, of the printed proposal. Mr. Lanier offered a motion to adopt Mr. Porterie's suggestion, and the motion carried without objection.

He also submitted proposed language for amending Article IV, Section 12, of the present constitution relative to the loan or pledge of public funds. A copy is attached hereto and made a part of these minutes as Appendix A. Considerable discussion

ensued on the suggested language submitted by Mr. Porterie, and the staff was directed to draft several proposals relative to Article IV, Section 12, using the views expressed by several members of the committee

The staff was also directed to make a comparative study on how the other states have handled this problem. (Article IV, Section 12).

Mr. L. G. Morgan, representing the AFL-CIO, was introduced and asked Mr. Porterie if there was anything in his proposal which would take away from the people the right to vote on any bond issues. Mr. Porterie explained that there was not.

Mrs. Zervigon offered the motion that the comments prepared by the staff not be distributed to the delegates of the

convention until such time that the committee can revise and approve them. There were no objection to this motion.

Mr. Lanier offered a motion that the chairman appoint a subcommittee to make recommendations to the committee with respect to all remaining provisions of the constitution under the jurisdiction of the Committee on Local and Parochial Government that were not dealt with in Committee Proposal No. 17. There were no objections to this motion. The chairman then appointed Mr. Lanier, chairman of the subcommittee, and Mrs. Zervigon, Mr. Conino, Mr. Kean, and Mr. Chatelain volunteered to be assigned to the subcommittee.

A motion was offered by Mr. Kean that if possible, the committee would meet at 10:00 a.m. on Friday.

There being no further business, the chairman adjourned the meeting.

  
Chalin O. Perez, Chairman

R. Gordon Kean, Secretary

APPENDIX A

DUKE & PORTERIE  
ATTORNEYS AT LAW  
AMERICAN BANK BUILDING  
NEW ORLEANS, LA 70130

August 1, 1973

OF COUNSEL  
DOROTHY D. HOLBRETT  
622-1381  
624-0772

LAUDE W. DUKF  
ED. IS. B. PORTERIE  
M. S. L. LAYTON  
J. L. HANTEL  
C. ERIC LUNDIN III

Messrs. Harold B. Judell and  
Wm. H. Beck, Jr.  
Attorneys at Law  
Suite 2313  
225 Baronne St.  
New Orleans, La.

Messrs. McDonald, Buchler & Morel  
Attorneys at Law  
3014 Metairie Rd.  
Metairie, La.

Mr. John Cox  
Attorney at Law  
National Bank of Commerce Bldg.  
New Orleans, La.

Mr. Fred G. Benton, Sr.  
Attorney at Law  
601 St. Ferdinand St.  
Baton Rouge, La.

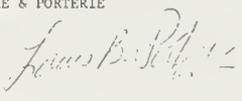
Gentlemen:

A refined copy of the Cox proposal is contained.

We hope it is clearer.

Sincerely yours,

DUKE & PORTERIE

By: 

LSP/rlm

Enc.

cc: Mr. Chalin O. Perez, Chairman  
Committee on Local and Parochial Government  
Mr. Tom Short, Acting Director and  
Members of The Mississippi River Bridge Authority

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

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

Funds, credit, property or things of value of the State or of any political subdivision or political corporation thereof heretofore loaned, pledged, dedicated or granted by the prior laws of this State, or authorized to be loaned, pledged, dedicated or granted by the prior laws and Constitution of this State, shall so remain for the full term as provided by the prior laws and Constitution and for the full term as provided by any contract, unless such authorization is revoked by the Legislature by a two-thirds vote of the total number of the members of both houses of the Legislature prior to the vesting of any contractual rights pursuant to this section.

MINUTES

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

Held pursuant to notice given by the Secretary in accordance with convention rules

Committee Room 9, State Capitol

Baton Rouge, Louisiana

Thursday, August 16, 1973

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

Present: Chalin O. Perez  
Joseph Conino  
Edward D'Gerolamo  
H. M. Fowler  
George Dewey Hayes  
Absent: Harvey Cannon, Jr.  
Ethan Chatelain  
Joseph Giarrusso, Sr.  
Johnny Jackson  
R. Gordon Kean

Walter Lanier, Jr.  
J. E. Stephenson  
Joseph F. Toomy  
Dr. Frank Ullo  
Mary Zervigon  
Mayor Pete Heine

Terry Reeves  
V. C. Shannon  
Dorothy Mae Taylor

1973, immediately after adjournment of the convention.

The meeting was adjourned at 7:15 p.m.

Chairman Perez called the meeting to order at 5:30 and the roll was called. A quorum being established, the meeting proceeded.

Mr. Perez reminded the committee members that the committee was assigned primary responsibility for the present sections in the constitution on Tax Assessors (Article XIV, §9, 20) and Revenue Sharing Fund (Article X, §10B) but has not drafted a provision on either section. The staff handed out a draft in the form of a committee proposal for each section similar to the present section. The proposals are attached hereto and made a part of these minutes as Appendix A and Appendix B. Mr. Perez requested the committee members to study these proposals for further action at the next committee meeting.

Mr. Perez pointed out that Section 15, on Recall, of the committee proposal was covered in the legislative article adopted by the convention. Mr. Burson moved to delete Section 15 from the proposal and renumber all succeeding sections. Without objection, the motion carried.

Mr. Perez pointed out that due to the provision on compensation of public officials in the executive department article adopted by the convention, the committee might want to add a provision for compensation of local officials. The executive department provision reads:

"Section 4. Compensation  
Section 4. Except as otherwise provided in this constitution, the compensation of each elected official shall be fixed by the legislature."

Mr. Perez instructed the staff to prepare an amendment to the committee proposal to make it clear that salaries of local officials presently being fixed by local governing authorities either under a home rule charter or legislative authority shall remain being fixed by the local governing authority. He suggested the following language:

"All charter or home rule forms of government shall have the right to fix the salaries of their public officials."

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Mr. Lanier asked the staff to prepare a report explaining the approach taken by the committee in drafting the committee proposal. He explained that it might be a good idea to distribute this report to all of the delegates for the purpose of laying a foundation for the committee proposal before it is brought up for debate in the convention.

The committee discussed and adopted numerous technical amendments recommended by various committee members. A copy of the amendments is attached hereto and made a part of these minutes as Appendix C.

The committee decided to meet again on Wednesday, August 22,

  
Chalin O. Perez, Chairman

\_\_\_\_\_  
R. Gordon Kean, Secretary

3

APPENDIX A

1 Constitutional Convention of Louisiana of 1973  
2 COMMITTEE PROPOSAL NUMBER  
3 Introduced by Delegate Perez, Chairman, on behalf of the  
4 Committee on Local and Parochial Government, and Delegates  
5 Burson, Cannon, Chatelain, Conino, D'Gerolamo,  
6 Fowler, Giarrusso, Hayes, Heine, J. Jackson, Kean,  
7 Lanier, Reeves, Shannon, Stephenson, Taylor, Toomy,  
8 Ullo, and Zervigon  
9  
10 A PROPOSAL  
11  
12 Providing for the office of tax assessor.  
13 Be it adopted by the Constitutional Convention of Louisiana  
14 of 1973:  
15  
16 Article \_\_\_\_, Section 1. Tax Assessor  
17 Section 1. There shall be a tax assessor elected by the  
18 electors of each parish in the state, the parish of Orleans  
19 excepted. His term of office shall be four years and the  
20 legislature shall define his duties, fix his compensation,  
21 and provide for his election.  
22 Section 2. Board of Assessors for Orleans Parish  
23 Section 2. There shall be seven assessors in the city  
24 of New Orleans, who together shall compose the Board of  
25 Assessors for the Parish of Orleans. One shall be elected  
26 from each municipal district of the city of New Orleans, and  
27 they shall be residents of the districts from which they are  
28 elected. Their terms shall be four years and they shall be  
29 elected at the same time as the municipal officers of the  
30 city of New Orleans.  
31  
32  
33  
34  
35

APPENDIX B

1 Constitutional Convention of Louisiana of 1973  
2 COMMITTEE PROPOSAL NUMBER  
3 Introduced by Perez, Burson, Cannon, Chatelain, Conino,  
4 D'Gerolamo, Fowler, Giarrusso, Hayes, Heine, J. Jackson,  
5 Kean, Lanier, Reeves, Shannon, Stephenson, Taylor,  
6 Toomy, Ullo, and Zervigon

8 A PROPOSAL

10 Providing for a Revenue Sharing Fund.  
11 Be it adopted by the Constitutional Convention of Louisiana  
12 of 1973:

13 ARTICLE \_\_\_\_\_

14 Section 1. Revenue Sharing Fund

15 Section 1. There is hereby established and created

16 a special fund in the State Treasury to be known as the  
17 Revenue Sharing Fund. The Fund shall be composed of monies  
18 which shall be transferred to it annually out of the state  
19 general fund by the state treasurer. The legislature may  
20 allocate additional sums to the Revenue Sharing Fund and  
21 shall provide for distribution of the monies in the Fund  
22 to those local governing bodies, municipalities, police  
23 juries, boards, commissions, districts and other agencies  
24 as may be designated by it.

AMENDMENT NO. \_\_\_\_\_

On page 4, line 4, after the word "electors" and before the word "who" insert a comma ","

AMENDMENT NO. \_\_\_\_\_

On page 5, line 10, after the word "and" and before the word "functions" insert the words "performance of such"

AMENDMENT NO. \_\_\_\_\_

On page 6, line 25, after the semicolon ";" and before "(3)" insert the word "or"

AMENDMENT NO. \_\_\_\_\_

On page 8, delete lines 31 through 32, both inclusive, in their entirety and on page 9, delete lines 1 through 5, both inclusive, in their entirety

AMENDMENT NO. \_\_\_\_\_

On page 9, line 26, after the word "following" and before the word "powers" insert the word "discretionary"

AMENDMENT NO. \_\_\_\_\_

On page 10, line 2, after the words "powers and" and before the word "functions" insert the words "perform all of its"

AMENDMENT NO. \_\_\_\_\_

On page 14, line 25, after the word "State" and before the word "and" insert the punctuation and words ", School Districts,"

AMENDMENT NO. \_\_\_\_\_

On page 14, line 27, immediately after the word "state" insert a comma "," and delete the word "or" and delete line 28 in its entirety and insert in lieu thereof the following:

"school districts, or against any political subdivision in any"

AMENDMENT NO. \_\_\_\_\_

On page 21, line 1, after the word "published" and before the word "once" insert the words "at least"

AMENDMENT NO. \_\_\_\_\_

On page 25, line 20, after the words "passed by" delete the remainder of the line and insert in lieu thereof the words:

"a favorable vote of at least two-thirds of"

AMENDMENT NO. \_\_\_\_\_

On page 25, line 28, after the words "deep-water port" delete the remainder of the line and insert in lieu thereof the following:

"commission or deep-water port, harbor, and terminal district except by a favorable vote of at least two-thirds of the"

AMENDMENT NO. \_\_\_\_\_

On page 26, line 9, after the word "port" delete the period "." and add the following:

"commission or deep-water port, harbor, and terminal district."

AMENDMENT NO. \_\_\_\_\_

On page 26, line 12, after the word "composition" and before the word "and" insert the words "of said board"

AMENDMENT NO. \_\_\_\_\_

On page 26, line 13, after the word "said" and before the word "shall" delete the word "board" and insert in lieu thereof the word "port"

AMENDMENT NO. \_\_\_\_\_

On page 27, line 19, after the words "commissions and" and before the word "port" insert the word "deep-water"

APPENDIX C  
ADOPTED AUGUST 16, 1973

COMMITTEE AMENDMENT

Amendment 5 proposed by Committee on Local and Parochial Government

to Committee Proposal No. 17  
(Debate or Amendment) (Proposed by Resolution)

by Delegate Perez, et al.

Amend printed proposal as follows  
(Original printed, corrected) (Proposed by Resolution)

MINUTES

AMENDMENT NO. \_\_\_\_\_

On page 3, line 18, after the word "and" and before the word "functions" insert the words "performance of such"

AMENDMENT NO. \_\_\_\_\_

On page 3, line 30, after the word "charter" and before the comma "," insert the words "or alternate charter"

Minutes of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973  
Held pursuant to notice given by the Secretary in accordance with convention rules

Committee Room 9, State Capitol  
Baton Rouge, Louisiana  
Wednesday, August 22, 1973

Presiding: Chalin O. Perez, Chairman of the Committee on

Local and Parochial Government

Present: Chalin O. Perez  
Joseph Conino  
I. Jackson Burson  
Ethan Chatelain  
Edward D'Gerolamo  
H. M. Fowler  
Mayor Pete Heine  
Johnny Jackson  
R. Gordon Kean  
V. C. Shannon  
J. E. Stephenson  
Joseph F. Toomy  
Dr. Frank Ullo  
Mary Zervigon  
George Dewey Hayes  
Walter Lanier, Jr.  
Terry Reeves

Absent: Harvey Cannon, Jr.  
Joseph Giarrusso, Jr.  
Louis Berry

Chairman Perez called the meeting to order at 5:30 p.m. and the roll was called. A quorum being established, the meeting proceeded.

Mr. Perez asked if there were any witnesses who wanted to appear before the committee. Mr. Charles J. Pasqua, executive director of the Louisiana Municipal Association, presented a statement on behalf of the association. The report stated the general opinion of the association in regard to the committee proposal. The report is attached hereto and made a part of these minutes as Appendix A.

Mr. Clayton Staring, sales tax director for the Concordia Parish School Board and member of the Louisiana Association of Tax Administrators, spoke to the committee on Section 34 of the proposal, authorizing the imposition of sales tax by local government subdivisions. Mr. Staring stated that the association was opposed to the new section drafted by the committee. He stated that he felt the authority for sales tax should remain statutory.

Mr. Lanier read a letter from Mr. Thaddeus Marcell who is also with the Louisiana Association of Tax Administrators. The letter is attached hereto and made a part of these minutes as Appendix B. His letter also dealt with Section 34 on sales tax. Mr. Lanier requested that copies of Mr. Marcell's letter be distributed to the committee members. Mr. Lanier called the committee's attention to the two points that the association was trying to make: (1) all governmental subdivisions within a parish together are limited to a total of a three percent sales tax, and this could cause a serious impairment on the ability to raise funds in the future; and (2) if the legislature is given authority to exempt goods from local sales tax, this might result in reducing the base upon which a subdivision has bonded its sales tax revenues and impair future bonding of sales tax revenues. Mr. Lanier requested that the staff do research to determine: (1) if the three percent limit affects any presently authorized sales tax; (2) what limitation will this put on

2

future expansion; and (3) if the requirement of the co-extent tax exemption would have a retroactive effect on any bonded indebtedness funded by sales tax revenues. The staff was so directed by the chairman.

Mr. Kean requested that the chairman again invite all the delegates to the convention to offer any amendments they might have to a section in the committee's proposal. It was pointed out that Delegate Conroy had some amendments to present and the staff was requested to send a special invitation to Mr. Conroy to present his amendments to the committee.

Mr. Perez pointed out to the committee that there is a conflict between this committee's proposal and the Judiciary committee proposal with respect to the filling of vacancies of certain parish officials. Mr. Perez had requested the staff to prepare a floor amendment to the Judiciary proposal which would substitute the committee's section on filling these vacancies. Mr. Perez offered to present the amendment to the convention on behalf of the committee. After some discussion, Mr. Reeves moved that Mr. Perez's name be the only one to appear on the amendment. Mr. Kean offered a substitute motion to authorize the chairman, on behalf of those members who vote in favor of introducing the amendment, to present the amendment to the convention. The amendment would be presented as a delegate amendment with the names of those voting for Mr. Kean's motion appearing on the amendment. Mr. Kean's motion was adopted by a vote of fourteen to three.

3

FOR

Burson  
Chatelain  
Conino  
D'Gerolamo  
Fowler  
Heine  
Jackson  
Kean  
Shannon  
Stephenson  
Toomy  
Ullo  
Zervigon  
Perez

AGAINST

Hayes  
Lanier  
Reeves

The amendment is attached hereto and made a part of these minutes as Appendix C.

Mr. Perez read a letter from Dr. Emmett Asseff asking the committee to reconsider Section 14(B) relative to the filling of vacancies. A copy of the letter is attached hereto and made a part of these minutes as Appendix D. Dr. Asseff stated that such provision would cause a hardship on the poorer parishes as the cost of a special election would have to be paid by the local unit affected. He suggested retaining Section 14(B) as drafted by the committee but adding thereto "if there is to be an election covering the district in which the vacancy exists within one year from the date the vacancy occurs, it is to be filled at the election instead of the special election." After a short discussion, Mr. Perez requested the staff to prepare an amendment in line with Dr. Asseff's suggestion so that the committee could consider it at the next meeting.

Mr. Perez read a resolution he had received from the St. Charles Parish Policy Jury. The resolution stated that the police jury supported the committee proposal and complimented the committee on the job they had done. Mr. Burson told the committee of similar

4

resolutions that he had received from the St. Landry Parish Police Jury, Acadia Parish Police Jury, and the city of Iota. Mr. Burson requested that all such communications be given to the staff.

The committee next looked over an amendment which the staff had been directed to draft, dealing with the compensation of local officials. This amendment was necessitated by the provision in the Executive Department Article authorizing the legislature to fix the compensation of each elected public official. After a brief discussion, the committee decided that the amendment did not state what the committee felt was needed. Mr. Perez requested that the staff redraft the amendment and make it more specific by stating that the salaries of local elected officials of home rule charter forms of government shall be fixed in the charter. Mr. Toomy requested that the staff try to word this provision into Section 9 dealing with the powers of local governmental subdivisions. Mrs. Zervigon requested that the staff prepare a list of how the salaries of these officials are set now. The staff was so directed.

Mr. Perez adjourned the meeting at 7:15 p.m.

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

APPENDIX A



CHARLES J PASQUA

Statement of

Charles J. Pasqua  
Executive Director

on behalf of the

LOUISIANA MUNICIPAL ASSOCIATION

on

Constitutional Revision and Local Governments

for the

Committee on Local and Parochial Affairs  
Louisiana Constitutional Convention, 1973

August 22, 1973

Mr. Chairman and Distinguished Members of this Committee:

I am Charles Pasqua, former mayor of Gonzales and now executive director of the Louisiana Municipal Association.

The Louisiana Municipal Association has kept local officials in this state abreast of the tremendous progress you delegates have made in shaping the article dealing with local governments. Consequently, we have developed some general opinions concerning the impact of Article VI as proposed by this Committee.

In reviewing Article VI which has been submitted by you as Committee Proposal No. 17, I am convinced that the entire Committee successfully addressed itself to the problems of local governments in this state by putting together a final proposal that is both progressive and practical.

Subjects such as home rule, local taxation, and local financial problems in general have all received your careful attention during the past months and the result of all of the discussions that took place in this Committee is one that I think will enable local officials both in parishes and cities to better govern their local affairs.

Local officials in this state have long cried for genuine home rule and the tools to better govern local affairs, and I think that Committee Proposal No. 17 answers those cries for help.

When LMA first testified before this Committee back on March 10, 1973, it was indicated to you that we were mainly interested in three issues. Those were: first, that Louisiana municipalities should be given broader authority to raise revenues locally to meet their own needs; second, Louisiana's cities, towns and villages should be given broad home rule power; and finally, that the Louisiana legislature should be prohibited from imposing financial obligations on municipalities without providing them with the additional revenues to meet such obligations.

It is with great pleasure to report that this Committee did, indeed, attack those areas of need indicated by LMA back in March. Pertaining to that first issue, the Committee removed the strict ad valorem tax limitations in our present constitution, which held municipalities to a ceiling of seven mills. Under the Committee's proposal, the local citizenry would be able to increase millage rates above seven mills through the local election process. Another section also gives the local citizenry the authority to increase local sales tax revenues to a maximum of three percent.

Removing these tax limitations does not mean that municipalities will immediately increase local taxes when the proposed constitution is approved, instead it means that municipalities will have the necessary tax base with the approval of the local electorate to greatly assist in solving problems that might occur in future years. Instead of keeping the bulk of the tax burden on the home owner, the cost of government can now be spread out over different taxing sources such as in the case of occupational license taxes, whose expansion was placed in the hands of the legislature by this Committee.

In addition to broadening local taxing authority this Committee also addressed itself to the need for genuine local home rule. In Section 8 of the proposed Article VI this Committee adequately outlined both the method for any local governmental subdivision to adopt a home rule charter and the necessary powers that would accompany such a charter. Giving the concept of home rule constitutional authority genuinely sanctions the importance of such a concept and builds a strong foundation on which to develop this necessary style of government.

Section 25 of Article VI as proposed by this Committee also sanctions the concept of home rule by allowing local governing authorities to solely determine the expenditure of funds appropriated by the legislature if the expenditure of such funds is not specified when the appropriation is made. The passage of this section by the Committee obviously recognizes the ability of local governing officials to best spend local funds because they are in the best position to understand local problems.

In considering this Committee's action on the final need identified by LMA back in March, it appears that the Committee did, indeed, pass a provision to prohibit the legislature from requiring an increase in local expenditures for the salaries and fringe benefits of municipal employees without providing them with the additional revenues to meet such obligations. However, the exception granted to firemen and policemen in that same Section 16, in our opinion, contradicts the entire intent behind having that section in the first place.

The dangers of this special exclusion for firemen and policemen are threefold: first, it gives them special treatment and fails to recognize the needs of the other municipal employees; second, it places a special group of employees in the state constitution, giving them special constitutional privilege when this privilege is not extended to other employees; and third, it not only weakens the excellent home rule provisions in the remainder of the Committee's proposal which were adopted in the spirit of creating genuine home rule, it also threatens home rule charters already in existence when dealing with municipal employees, such as in the case of Baton Rouge and Jefferson Parish.

When LMA first testified before you in behalf of the state's municipalities and requested that you prevent the legislature from passing local pay increases without providing the necessary funds, the purpose of such a request was based on past experiences. When special groups of employees were able to obtain local pay increases in the past from the legislature it placed municipalities in financial chaos as a result of such legislation. If these same groups of employees are granted special treatment in Section 16, it would seem as though the problem has not really been solved, especially if you consider the fact that firemen and policemen are the only municipal employees that have ever gotten pay increases directly from the legislature. In addition, jurisprudence rendered on this issue pertaining to home rule charters may no longer be valid if this exemption passes.

In looking at the entire Committee Proposal No. 17, local officials in this state should be pleased with the final document submitted by this Committee. We feel that you have affectively dealt with many of the problems facing local officials.

That one exception which was granted to firemen and policemen does pose a serious problem, and we will strive to amend that section so that all municipal employees are treated equally. But we also pledge to you our support for the other fine provisions that this Committee drafted during the past several months, that make up what we feel is, generally, an excellent Local and Parochial Committee Report.

Our hats are off to you, and the municipal officials of this state sincerely thank you for your fine efforts.

Respectfully,  
*Charles J. Pasqua*  
Charles J. Pasqua  
Executive Director

our viewpoints. Our organization stands ready to assist or be called upon by your committee at their convenience. With best regards, I remain

Sincerely,

*Thaddeus Marcell*  
Thaddeus Marcell  
Louisiana Association of Tax Administrators

TM:da

CC:  
Jess C. Casley, President  
P.O. Box 357  
Minden, Louisiana 71055

APPENDIX C

FLOOR AMENDMENT

CC 7322

APPENDIX B  
ST. MARY PARISH  
SALES AND USE TAX DEPT.  
P O BOX 1142  
MORGAN CITY, LA. 70380

THADDEUS J MARCELL  
DIRECTOR  
364 6510

FRANKLIN  
828 1234

Amendment proposed by Delegate ..... to  
Committee ..... Proposal No. 21 by Delegate Dennis, et al.  
reprinted as engrossed Proposal as follows:  
(Original printed engrossed) (Proposal or Resolution)

AMENDMENT NO. 1

On page 12, delete lines 24 through 32, both inclusive, in their entirety, and on page 13, delete line 1 in its entirety and insert in lieu thereof the following:

"Section 33. (A) When a vacancy occurs in the office of district attorney, the duties of the office, until it is filled by election as provided by law, shall be assumed by the first assistant. If there is no such person to assume the duties at the time of vacancy, the governing authority or authorities of the parish or parishes concerned shall appoint a qualified person to assume the duties of the office until filled by election.

(B) Vacancies occurring in the office of sheriff, clerk of a district court, or coroner shall be filled by appointment by the governing authority of the parish until it is filled by election as provided by law."

128-  
207-  
12-

August 14, 1973

Mr. Walter Lanier  
P.O. Box 648  
Thibodaux, Louisiana 70301

Dear Mr. Lanier:

In reference to our telephone conversation of August 10, 1973 I will attempt to explain the Louisiana Association of Tax Administrators' position regarding Section 35(A) and (C) of the proposal on Local and Parochial Government.

Section 35(A) authorizes local governmental subdivisions and school districts to levy and collect a sales tax provided that the rate when combined with all other presently imposed or future sales taxes within a local governmental subdivision does not exceed 3%. Since the Legislature has already granted authority to levy sales taxes to certain police juries, school boards, municipalities and other governmental subdivisions, the combined rates of these subdivisions within a local governmental subdivision would exceed 3% should all receive voter approval. Therefore, there appears to be a conflict and some doubt in my mind if this would be constitutional.

Also, with the recent displeasure voters have shown to property taxes it may well be that political subdivisions may have to rely more on additional sales taxes as a source of revenue. Should a limitation be placed on them and additional sources of revenue are needed their only recourse would be through a constitutional amendment. Our association feels that the ideal situation would be for the new constitution to give local governmental subdivisions the right to levy sales taxes and not impose any limitations.

Section 35(C) gives the Legislature the authority to exempt or exclude any goods or tangible personal or services from any sales and use tax levied by local governmental subdivision; provided, however, such exemptions or exclusions shall also apply to State sales and use taxes. I wish to point out that a large percentage

of governmental subdivisions bond their sales tax revenues. Since bond contracts prohibit anything that reduces the basis upon which the bonds are issued, there seems to again be a conflict. This section could be bad for bonds outstanding and make future bond sales from sales tax revenues virtually impossible. Again, a policy of not restricting sales taxes in the constitution would seem best.

I sincerely hope that I have explained our position to your satisfaction and that you and your committee will consider

APPENDIX D

Committee on Local and Parochial Government  
RO Emmett Asseff, Delegate, District 7

gentlemen:

I would like to suggest that you reconsider Section 14 (3) relative to the filling of vacancies. The cost of such a provision will cause a hardship on the poorer parishes since a special election will have to be held by the local unit affected. For that reason I suggest that you consider retaining your provision but adding that if there is to be an election covering the district in which the vacancy exists within one year from the date the vacancy occurs, it is to be filled at that election instead of at a special election.

Thank you for your consideration.

Sincerely yours,  
*Emmett Asseff*  
Emmett Asseff

MINUTES

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

Held pursuant to notice given by the Secretary in accordance with convention rules

Committee Room 9, State Capitol

Baton Rouge, Louisiana

Wednesday, August 29, 1973

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

Present:	Chalin O. Perez	Absent:	I. Jackson Burson
	Harvey Cannon, Jr.		Joseph Conino
	Ethan Chatelain		Joseph Giarrusso, Sr.
	Edward D'Gerolamo		Louis Berry
	H.M. Fowler		Mayor Pete Heine
	George Dewey Hayes		
	Johnny Jackson		
	R. Gordon Kean		
	Walter Lanier, Jr.		
	Terry Reeves		
	V. C. Shannon		
	J. E. Stephenson		
	Joseph F. Toomy		
	Dr. Frank Ullo		
	Mary Zervigon		

Chairman Perez called the meeting to order at 5:30 and the roll was called. A quorum being established, the meeting proceeded.

Mr. Lanier moved to adopt the minutes of the meetings of July 12, July 18 and 19, August 2 and August 16, 1973. The motion carried without objection.

Mr. Perez read a proposal prepared by the staff relative to the Revenue Sharing Fund similar to the present constitutional provision. Mr. Perez told the committee that the section of the present constitution on Revenue Sharing Fund was assigned to the committee and he felt the committee should introduce something on the subject. Mr. D'Gerolamo moved that the committee adopt the proposal and introduce it as a committee proposal. There were no objections to the motion. A copy of the proposal is attached hereto and made a part of these minutes as Appendix A.

Mr. Perez read a proposal prepared by the staff relative to tax assessors similar to the present constitutional provision. He informed the committee that the Committee on Revenue, Finance and Taxation had a proposal which said virtually the same thing. Mrs. Zervigon pointed out that under Rule No. 49 this section was specifically assigned to the Committee on Revenue, Finance and Taxation, and that the Coordinating Committee had subsequently assigned it to this committee. After some discussion, Mrs. Zervigon moved that the committee not submit this proposal to the floor and that the committee inform the Coordinating Committee why it was not taking any action on the section. Mr. Hayes offered a substitute motion to introduce the proposal on tax assessors as a committee proposal. The substitute motion carried on a vote of eleven to one.

FDR

Cannon  
Chatelain  
D'Gerolamo

AGAINST

Zervigon

FDR

Fowler  
Hayes  
Jackson  
Lanier  
Shannon  
Stephenson  
Toomy  
Ullo

AGAINST

A copy of the proposal is attached hereto and made a part of these minutes as Appendix B.

The staff was instructed to prepare a letter to the members of the Committee on Revenue, Finance and Taxation setting forth the fact that the Rules provide that the Committee on Revenue, Finance and Taxation should handle the section on tax assessors but that the Coordinating Committee assigned the section to the Local Government Committee.

The committee next considered a proposal prepared by the staff on Article IV, Section 12 of the present constitution, dealing with the loan or pledge of public funds. Several technical changes were made in the draft prepared by the staff. Mrs. Zervigon moved to adopt the proposal with these changes. There were no objections to the motion. Mr. Perez suggested submitting this as a separate proposal so that it could be referred back to the committee. There were no objections to this. A copy of the proposal as adopted is attached hereto and made a part of these minutes as Appendix C.

An amendment to Committee Proposal No. 17 to include a section on the compensation of local officials was handed out to the members for their review. This amendment had been redrafted by the staff

to reflect ideas expressed by the committee at its meeting on August 22. The committee discussed the amendment but delayed action on adopting it until a later meeting.

Mr. Chatelain raised the question as to how the committee would handle the proposal on the floor of the convention. Mr. Perez suggested dividing the work load among the members on the basis of knowledge or interest in a particular section. The committee was in agreement with this suggestion. Mr. Perez asked that any member who wanted to handle a specific section notify him.

Mrs. Zervigon moved to adjourn. There being no objections, the meeting was adjourned.

  
Chalin O. Perez, Chairman

R. Gordon Kean, Secretary

NOTES

The proposals that comprise Appendices A, B, and C are omitted as they are reproduced above in Volume IV as C. P. Nos. 27, 28 and 29.

MINUTES

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

Held pursuant to notice given by the Secretary in accordance with Convention rules

Committee Room 4 - State Capitol

Baton Rouge, Louisiana

Friday, September 7, 1973

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

Present: Chalin O. Perez, Joseph Conino, Terry Reeves, R. Gordon Kean, George Dewey Hayes, Walter Lanier, Jr., Joseph F. Toomy, Mary Zervigon, Harvey Cannon, Jr., Edward D'Gerolamo, J. E. Stephenson, Dr. Frank Ullo

Absent: Ethan Chatelain, Mayor Pete Heine, H. M. Fowler, V. C. Shannon, I. Jackson Burson, Johnny Jackson, Joseph Giarrusso, Sr., Dean Louis Berry

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

There being a quorum established, the meeting proceeded.

Mr. Perez explained that the meeting was called for the purpose of reporting out the committee proposal.

The committee first took up an amendment to Paragraph (A) of Section 40 dealing with debt limitations on general obligation bonds. The amendment was presented by Mr. Kean who explained that it was designed to include property exempt as homesteads in the tax base for debt limitation purposes. After some discussion, Mrs. Zervigon moved to delete subparagraph (3) of the amendment which was designed to take care of the situation in New Orleans. Her motion was adopted without objection. Without objection, the committee adopted the amendment as amended. The amendment is attached hereto and made a part of these minutes as Appendix A.

The committee next took up twenty amendments prepared by the staff at the request of the committee. The amendments are attached hereto and made a part of these minutes as Appendix B. The action of the committee on each proposed amendment is as follows:

Amendment No. 1: Adopted without objection
Amendment No. 2: First Alternative adopted on a vote of seven for and two against:

Table with 2 columns: FOR and AGAINST. Lists names of committee members for and against the amendment.

Second Alternative rejected

Amendment No. 3: Adopted without objection
Amendment No. 4: Adopted without objection

Amendment No. 5: After word "coroner" and before word "assessor" changed word "and" to "or". Adopted without objection
Amendment No. 6: After word "coroner" changed word "and" to "or". Adopted without objection
Amendment No. 7: After word "excess" and before word "that" change word "to" to "of". Adopted without objection
Amendment No. 8: Adopted without objection
Amendment No. 9: Rejected
Amendment No. 10: Adopted without objection
Amendment No. 11: Adopted without objection

Amendment No. 12: Adopted without objection
Amendment No. 13: Adopted without objection
Amendment No. 14: Adopted without objection
Amendment No. 15: Adopted without objection
Amendment No. 16: Adopted without objection
Amendment No. 17: Adopted without objection
Amendment No. 18: Rejected
Amendment No. 19: Adopted without objection
Amendment No. 20: Adopted without objection

Several committee members expressed a concern about political subdivisions and deep-water ports issuing bonds under Section 24 without approval of the State Bond Commission. Mr. Cannon offered an amendment on page 13, line 10, after the word "bonds" and before the word "and" to insert the following: "subject to the approval of the State Bond Commission or any successor thereto," The amendment was adopted without objection.

Mrs. Zervigon offered an amendment to delete the word and number "and 8" after the number "7" on page 17, line 1. The amendment was adopted without objection.

Mrs. Zervigon next offered an amendment to delete the words "in Article \_\_\_\_, Section \_\_\_\_" on line 12 of page 18. The motion carried without objection.

The committee next looked at an amendment which the staff had prepared to provide for the filling of vacancies in the office of assessor. Mr. D'Gerolamo moved to add this to the committee proposal on Tax Assessors. There were no objections to the motion.

Mr. Cannon offered an amendment to delete Paragraph (F) of Section 14 (page 8, lines 23 through 27) on vacancies, and to change Paragraph (G) to Paragraph (F). There was no objection to this amendment.

Mr. Perez expressed concern about the voting requirements for a local government subdivision to merge or consolidate a local public agency under Section 18. He offered an amendment to add a sentence at the end of line 28 on page 10 to read as follows: "No such action involving a local public agency shall take effect unless a majority of the electors voting thereon in the local governmental subdivision in which the local public agency is located vote in favor thereof in an election held for that purpose"

The committee next discussed Section 17 relative to the governing authorities of local governmental subdivisions and control over agencies they create and particularly the authority of such agencies to levy taxes and issue debt. After a lengthy discussion Mrs. Zervigon offered an amendment to change the period "." after the word "subdivision" on page 10, line 8, to a comma "," and to add the following: "and the requirements of

this constitution and applicable laws relative to the levying of taxes and issuance of bonds are complied with". The amendment was adopted without objection.

Mr. Reeves offered a motion to report Committee Proposal No. 17 "with amendments". In addition to the amendments adopted at this meeting the committee had adopted amendments, mainly technical, at its August 16 meeting. Mr. Lanier pointed out that there was no longer a quorum present since only ten members were present. Mr. Perez ruled Mr. Lanier out of order stating that a quorum was present at the beginning of the meeting and that was all that was required under the rules. He called for the vote on Mr. Reeves'

motion. On a vote of ten for and none against the motion carried:

FOR	AGAINST
Cannon	None
Conino	
D'Gerolamo	
Lanier	
Perez	
Reeves	
Stephenson	
Toomy	
Zervigon	
Ullo	

Since there was a question of whether the committee could report a proposal with less than a majority vote of the total committee membership, Mr. D'Gerolamo offered a motion to recess subject to call by the chairman. The motion carried without objection.

*Chalín O. Perez*  
Chalín O. Perez, Chairman

R. Gordon Kean, Secretary

APPENDIX A

COMMITTEE AMENDMENT

Amendment proposed by Committee on Local and Parochial Government

to Committee Proposal No. 17  
(Delegate or Committee) (Proposal or Resolution)

by Delegate Perez, et al.

Amend printed proposal as follows  
(Original printed engrossed) (Proposal or Resolution)

AMENDMENT NO. 1

On page 19, delete lines 14 through 28, both inclusive, in their entirety and insert in lieu thereof the following:

"Section 40. (A) General obligation bonds may be

issued by any political subdivision for any single purpose which, including the existing bonds of such political subdivision incurred for the same purpose and payable solely from ad valorem taxes levied without limitation as to rate or amount, shall not exceed in the aggregate ten percent of the total value of all property within such subdivision valued for assessment purposes, including property exempt as homesteads, to be ascertained by the last such valuation for political subdivision purposes previous to incurring such indebtedness except that: (1) as to both parishwide school districts and other school districts, the limitation shall be twenty-five percent of all property within such district valued for assessment purposes as aforesaid; (2) as to general obligation industrial development bonds, such limitation shall be twenty percent of all property within the political subdivision valued for assessment purposes as aforesaid; and (3) as to any local governmental subdivision levying ad valorem taxes upon the full assessed value of all property within such subdivision, the total principal amount of general obligation bonds at any time outstanding for all purposes shall not exceed eighteen percent of such assessed value."

*the total value of*

*the total value of*

APPENDIX B

COMMITTEE AMENDMENT

Amendment proposed by Committee on Local and Parochial Government

to Committee Proposal No. 17  
(Delegate or Committee) (Proposal or Resolution)

by Delegate Perez, et al.

Amend printed proposal as follows  
(Original printed engrossed) (Proposal or Resolution)

AMENDMENT NO. 1

On page 7, line 2, after the word and punctuation "legislature." delete the remainder of the line and delete line 3 in its entirety

AMENDMENT NO. 2

On page 7, between lines 3 and 4, insert the following section:

"Section 14. Local Officials; Compensation  
Section 14. The compensation or method of fixing the compensation of a local elected official of any local governmental subdivision which operates under a home rule charter or plan of government as provided in Sections 7 and 8 of this Article, shall be provided in its charter. The compensation or method of fixing the compensation of local elected officials of any other local governmental subdivision shall be provided for by law. Compensation of local officials shall not be reduced during the terms for which they are elected."

OR

"Section 14. Local Officials and Employees  
Section 14. The governing authority of any local governmental subdivision shall prescribe the duties and fix the compensation of its members, as well as that of other officers and employees, subject to any applicable civil service law. Compensation of local elected officials shall not be reduced during the terms for which they are elected."

AMENDMENT NO. 3

On page 7, at the beginning of line 4, change "Section 14." to "Section 15."

AMENDMENT NO. 4

On page 7, at the beginning of line 5, change "Section 14." to "Section 15."

AMENDMENT NO. 5

On page 5, between lines 10 and 11, insert the following:

"(G) The powers and functions of a parish or city school board and the offices of sheriff, clerk of the district court, coroner, and assessor shall not be affected by any provision of a home rule charter or plan of government adopted or amended under the provisions of this Section."

AMENDMENT NO. 6

On page 6, between lines 2 and 3, insert the following:

"(C) The powers granted in this Section shall not be construed to affect the powers and functions of a parish or city school board and the offices of sheriff, clerk of a district court, coroner, and assessor."

AMENDMENT NO. 7

On page 17, between lines 20 and 21, insert the following:

"(D) The legislature by general or special law may authorize the imposition of additional sales and use taxes by local governmental subdivisions in excess to that provided in paragraph (A) of this Section, provided that such taxes are approved by the electors of the local governmental subdivision as provided in paragraph (B) of this Section."

AMENDMENT NO. 8

On page 17, between lines 20 and 21, insert the following:

"(E) Nothing contained in this Section shall be construed to repeal or affect any sales and use tax authorized or imposed by any municipality, parish, or school board as provided by law or a home rule charter or plan of government on the effective date of this constitution."

AMENDMENT NO. 9

On page 16, line 32, after "Section 34. (A)" delete the remainder of the line and on page 17, delete line 1 in its entirety and at the beginning of line 2 change the word "local" to "Local"

AMENDMENT NO. 10

On page 13, at the end of line 4, add the following:

"deep-water port commission, or deep-water port, harbor, and terminal district,"

AMENDMENT NO. 11

On page 13, line 21, after the word "subdivision" and before the word "issuing" insert the following:

", deep-water port commission, or deep-water port, harbor, and terminal district"

AMENDMENT NO. 12

On page 18, line 18, after "Section 39." and before the word "obligation" delete the word "General" and insert in lieu thereof the following:

"Subject to the approval of the State Bond Commission or any successor thereto, general"

AMENDMENT NO. 13

On page 10, line 14, after the word "Districts" and before the semi-colon ";" delete the words "and Local Public Agencies"

AMENDMENT NO. 14

On page 10, at the end of line 17, delete the word "or" and at the beginning of line 18 delete the words "local public agency"

AMENDMENT NO. 15

On page 10, at the end of line 23, place a period "." immediately after the word "district" and at the beginning of line 24 delete the following:

"or local public agency."

AMENDMENT NO. 16

On page 10, line 29, after the word "district" and before the word "which" delete the words "or local public agency"

AMENDMENT NO. 17

On page 10, at the beginning of line 30, delete the word "abolished" and insert in lieu thereof the words "consolidated and merged"

AMENDMENT NO. 18

On page 7, at the end of line 32, after the period "." add the following:

"However, if within the period of time in which the special election shall be held, there is to be held a regular

scheduled election within the local governmental subdivision or special district thereof in which the vacancy occurs, then the special election to fill said vacancy shall be held on the same date as the scheduled election."

AMENDMENT NO. 19

On page 7, line 23, after the word "year" and before the words "a special" change the semi-colon ";" to a comma ","

AMENDMENT NO. 20

ON page 3, line 1, after the word "operative" and before the word "any" delete the word "an" and insert in lieu thereof the word "in"

MINUTES

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

Held pursuant to notice given by the Chairman of the Convention on Friday, September 7, 1973

Independence Hall

Convention Floor

Saturday, September 8, 1973

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

Present

Absent

Chalin O. Perez  
I. Jackson Burson  
Joseph Conino  
Terry Reeves  
R. Gordon Kean  
Ethan Chatelain  
Mayor Pete Heine  
Edward D'Gerolamo  
George Dewey Hayes  
Walter Lanier, Jr.  
E. Stephenson  
Joseph F. Toomy  
Dr. Frank Ullo  
Mary Zervigon

Johnny Jackson  
Harvey W. Cannon, Jr.  
H. M. Fowler  
Joseph Giarrusso, Sr.  
V. C. Shannon  
Dean Louis Berry

Chairman Perez called the meeting to order. Roll was called and a quorum established.

Mrs. Zervigon moved to report out Committee Proposal No. 17 "With Amendments", ratifying all amendments adopted by the committee at the meeting of September 7, 1973. The motion carried by a vote of fourteen for and none against:

FOR

AGAINST

Chalin O. Perez  
I. Jackson Burson  
Joseph Conino  
Terry Reeves  
R. Gordon Kean  
Ethan Chatelain  
Mayor Pete Heine  
Edward D'Gerolamo  
George Dewey Hayes  
Walter Lanier, Jr.  
J. E. Stephenson  
Joseph F. Toomy  
Dr. Frank Ullo  
Mary Zervigon

None

A copy of all the amendments adopted by the committee and attached to the committee report are attached hereto and made a part of these minutes.

Mr. Kean moved to adjourn. There being no objection, the meeting was adjourned.

  
Chalin O. Perez, Chairman

R. Gordon Kean, Secretary

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NOTES

C.P. No. 17 proposed committee amendments are set out in their entirety at I Journal 461-463 above.

MINUTES

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

Held pursuant to notice given by the Secretary in accordance with Convention rules

Committee Room 9, State Capitol

Baton Rouge, Louisiana

Thursday, September 13, 1973

Presiding: Chalin O. Perez, Chairman of the Committee on

Local and Parochial Government

Present:	Chalin O. Perez	Absent:	Johnny Jackson
	I. Jackson Burson		Terry Reeves
	Joseph Conino		Edward D'Gerolamo
	R. Gordon Kean		Joseph Giarrusso, Sr.
	Harvey W. Cannon, Jr.		V. C. Shannon
	Ethan Chatelain		Dr. Frank Ullo
	Mayor Pete Heine		
	H. M. Fowler		
	George Dewey Hayes		
	Walter Lanier, Jr.		
	J. E. Stephenson		
	Dr. Louis Berry		
	Joseph F. Toomy		
	Mary Zervigon		

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

There being a quorum established, the meeting proceeded.

Mr. Perez informed the committee that its proposal would be taken up by the Convention next. He asked for the support of the whole committee in presenting it on the floor. Mr. Perez asked if there were feelings of general acceptability or oppositon to the proposal. Mr. Lanier told the committee that there was some concern over the definition Section and the Section dealing with the powers of other local governmental subdivisions. It was suggested that the definition Section of the proposal come up for adoption first before going into the rest of the proposal. The committee was in agreement with this suggestion.

The committee next reviewed the first thirteen Sections of the proposal to determine who would handle each Section on the floor. Mr. Perez made the following assignments:

- Section 1. Perez
- Section 2. Perez
- Section 3. Perez
- Section 4. Perez
- Section 5. Kean
- Section 6. Burson
- Section 7. Kean
- Section 8. Kean and Lanier; Paragraph (D) Chatelain
- Section 9. Lanier
- Section 10. Burson
- Section 11. Reeves
- Section 12. Lanier
- Section 13. Lanier

Mr. Lanier informed the committee he had received resolutions praising the committee work from the city of Thibodeaux and parish of Lafourche.

Mr. Kean requested the committee invite Mr. Lennox to the next meeting to have him speak on behalf of his delegate proposal relative to levee districts which had been referred to the committee.

The committee decided to delay action on the other committee and delegate proposals which had been referred to it.

Mrs. Zervigon moved to adjourn until 10:00 a.m. the following morning. There was no objection and the meeting was adjourned.

  
Chalin O. Perez, Chairman

R. Gordon Kean, Secretary

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MINUTES

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

Held pursuant to notice given by the Secretary in accordance with convention rules

Room 205, State Capitol

Baton Rouge, Louisiana

Friday, September 21, 1973

Presiding: Chalin O. Perez, Chairman of the Committee on

Local and Parochial Government

Present:	Chalin O. Perez	Absent:	Joseph Conino
	I. Jackson Burson		Terry Reeves
	Johnny Jackson		Harvey Cannon, Jr.
	R. Gordon Kean		Edward D'Gerolamo
	Ethan Chatelain		Joseph Giarrusso, Sr.
	Mayor Pete Heine		V. C. Shannon
	H. M. Fowler		Louis Berry
	George Dewey Hayes		Dr. Frank Ullo
	Walter I. Lanier, Jr.		
	J. E. Stephenson		
	Jpseph F. Toomy		
	Mary Zervigon		

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

A quorum being established, the meeting proceeded.

Mr. Perez suggested that the committee consider the four amendments discussed at the joint meeting with the Revenue, Finance and Taxation Committee on Thursday, September 20, 1973. The amendments, prepared by Delegate Conroy, attempted to resolve the conflicts between the two committee proposals. The amendments are attached hereto and made a part of these minutes as Appendix A.

The committee took the following action on the four amendments:

Amendment No. 1: The committee agreed with the purpose of this amendment to exempt persons from paying a parish occupational

license tax if they pay a municipal license tax. However, the committee felt that the language did not exactly express the desired result and requested the staff to redraft the amendment for consideration at the next committee meeting.

Amendment No. 2: This amendment would remove the Section which takes the state out of the property tax business. There were strong feelings by the committee that this Section should be retained in the committee proposal. The committee decided that this Section should be left to the vote of the Convention.

Amendment No. 3: This amendment would delete the paragraph in Section 42 which would require political subdivisions to levy an ad valorem tax to make up any deficit in other sources of revenue pledged to the payment of certificates of indebtedness. The committee was in support of this amendment.

Amendment No. 4: The committee reached no decision on this amendment which would place an "except as otherwise provided in this constitution" clause in front of the Section on Ports.

The staff was requested to prepare a letter to be sent to the Committee on Revenue, Finance and Taxation advising them of the action taken by the committee on the four amendments.

Mr. Burson stated that he had talked with representatives of

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the School Board Association and that they had expressed some concern over the committee proposal; in particular, whether the committee intended the term political subdivision to apply to school boards or districts. The staff was requested to invite representatives from the School Board Association to the next committee meeting.

The committee also discussed the idea of passing over the finance provisions in the committee proposal until the property tax proposal was adopted but reached no agreement on whether to recommend this action.

Mr. Kean moved to adjourn. Without objection, meeting was adjourned.

3

*Appendix A*

FLOOR AMENDMENT

cc m

Amended as proposed by Delegate Conroy  
Committee Proposal No. 17 by Delegate Perez, et al.

Amend reprinted as engrossed Proposal as follows:

AMENDMENT NO. 1

On page 17, at the end of the sentence on line 8, substitute a comma "," for the period "." after the word "state" and before the word "Local" and insert the following:

"and the total amount of any occupational license tax levied by a parish shall be reduced by the amount of any occupational license tax levied by any municipality therein."

AMENDMENT NO. 2

On page 19, delete lines 7 through 14, both inclusive

AMENDMENT NO. 3

On page 22, delete all of line 32, and on page 23, delete lines 1 through 8, both inclusive

AMENDMENT NO. 4

On page 26, on line 13, at the beginning of the sentence (after the words "Section 50." and before the word "All") insert the following:

"Except as otherwise provided in this constitution,"

MINUTES

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

Held pursuant to notice on the Floor of the Convention Hall, Tuesday, November 20, 1973, 10:00 A.M.

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

Present

Absent

Chalin O. Perez  
Joseph Conino  
Terry Reeves  
R. Gordon Kean  
Ethan Chatelain  
Edward D'Gerolamo  
Joseph Giarrusso, Sr.  
George Dewey Hayes  
Walter Lanier, Jr.  
V. C. Shannon  
Corryne D. Maybuce  
Joseph F. Toomy  
Mary Zervigon  
Pete Heine

I. Jackson Burson  
Johnny Jackson  
Harvey W. Cannon  
H. M. Fowler  
J. E. Stephenson  
Frank Ullo

The chairman called the meeting to order and roll was called. A quorum was established and the meeting proceeded.

Mr. Toomy moved the committee approve the minutes for August 22, August 29, September 7, September 8, September 13, and September 21, 1973. Without objection, the minutes for the meetings held on the above dates were approved.

The committee took the following action on the proposals previously referred to it:

Mr. D'Gerolamo moved to defer action on Committee Proposal No. 8, the first committee proposal introduced on Local Government. The motion passed without objection.

Mr. Toomy moved to report without action Committee Proposal No. 28, introduced by the committee, relative to the office of tax assessor. The motion passed without objection.

Mr. Lanier moved to report without action Committee Proposal No. 29, introduced by the committee, relative to Revenue Sharing Fund. Mr. Kean offered substitute motion to defer action. A roll call vote was ordered on the substitute motion.

Yeas

Nays

Conino  
Kean  
Chatelain  
Heine  
Toomy  
Zervigon

Reeves  
D'Gerolamo  
Giarrusso  
Hayes  
Lanier  
Shannon  
Maybuce

On a vote of six yeas and seven nays, the motion failed to pass. The committee reverted back to the original motion to report

Committee Proposal No. 29 without action. The motion passed without objection

Mr. Kean moved to report unfavorably Delegate Proposal No. 30, introduced by Delegate Lennox, relative to levee districts. The motion passed without objection.

Mr. Toomy moved to report without action Delegate Proposal No. 56, introduced by Delegate Toomy, relative to local officials

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and employees. After discussion, the question was called by the chairman and a roll call vote was taken.

<u>Yeas</u>	<u>Nays</u>
Conino	Kean
Reeves	Chatelain
D'Gerolamo	Heine
Hayes	Giarrusso
Lanier	Maybuce
Shannon	Zervigon
Toomy	

On a vote of seven yeas and six nays, the motion was adopted to report the proposal to the convention without action.

The committee next began discussion on Committee Proposal No. 27, introduced by the committee, relative to the donation, loan or pledge of public funds, credit or property.

The following amendments were proposed to Committee Proposal No. 27:

Mr. Lanier moved to add "(A)" to the first paragraph. The motion passed without objection.

Mr. Kean moved that an amendment be added to line 20, after the word "private" change the period "." to a comma "," and add "nor shall the state nor any political subdivision purchase or subscribe to the capital stock or stock of any corporation or association whatever or for any private enterprise."

Mrs. Zervigon offered a substitute motion that Amendment No. 1 (see Appendix A), offered by Mr. Kean, be adopted. Without objection, the substitute motion of Mrs. Zervigon was adopted and amendments to the language of Amendment No. 1 were called for.

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Mrs. Zervigon suggested changing "political corporation" to "political subdivision" throughout the Amendment and on line 2 under "(C)" deleting "or political corporation".

Without objection, Mrs. Zervigon's suggested changes were adopted.

Mr. Kean moved that in Paragraph (B) (4), after "donation of" delete "state" and insert in lieu thereof "public". Also, Mr. Kean moved in Paragraph (B) (4) after "furtherance of" delete "other" and after "facilities and" insert "other". There being no objection to these changes, they were adopted.

The chairman asked if there were any objections to reporting out Committee Proposal No. 27 with amendments. There were

no objections, and the proposal was ordered reported with amendments.

Chairman Perez asked Mr. Lanier, Subcommittee Chairman, to explain the report of the Subcommittee on Transitional Measures for Local and Parochial Government. (See Appendix B).

Mr. Lanier began explaining the chart on letter-size paper. He stated that there were two delegate proposals pending on Article IV, Section 5, relative to local or special laws. Also, on Article VII, Section 69, he suggested the committee might want to recommend some action be taken to pass laws to apply to vacancies which occur in an office partially within and partially without a municipality.

The chairman stated it was still not clear to him what the legal affect of this proposed report would be.

After lengthy discussion, Mr. Lanier asked the staff for two memorandums regarding specifically (1) an opinion on whether or not the adoption of the new constitution invalidates all

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existing laws even though the law may not be in conflict, and (2) can we transpose the present levee compensation provision (Art. XVI, §6) to be interim law prior to the legislature acting to establish the method of compensation as required under Section 49 of Committee Proposal No. 17, as adopted.

Mrs. Zervigon moved we delay action on the Subcommittee report. There being no objections, it was so ordered.

Mr. Chatelain moved for adjournment. Without objection, the meeting adjourned at 11:55 A.M.

  
CHALIN O. PEREZ, Chairman

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NOTES

C.P. No. 15 proposed committee amendments are set out in their entirety at II Journal 1015, above. Transitional Committee Report is set out below in Vol. XIV.

NOTES

No minutes for the committee meeting of January 4, 1974 appear in the files of the Committee on Local and Parochial Government.

MINUTES

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

Held pursuant to notice given by  
the Secretary in accordance with  
Convention rules

Monday, January 7, 1974  
Committee Room 1 - State Capitol  
Baton Rouge, Louisiana

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

Present:	Harvey Cannon	Absent:	Jack Burson
	E.J. Chatelain		H.M. Fowler
	Joseph Conino		Joseph Giarrusso, Sr.
	Edward D'Gerolamo		Terry Reeves
	George D. Hayes		Frank Ullo
	Johnny Jackson		
	R. Gordon Kean		
	Walter I. Lanier, Jr.		
	V.C. Shannon		
	James E. Stephenson		
	Corine D. Maybuce		
	Joseph F. Toomy		
	Mary Zervigon		
	Pete Heine		

The meeting was called to order by the chairman and a  
quorum was ascertained.

The committee continued discussing those sections of  
the Style and Drafting report (Document XV) which it had  
passed over at the last two meetings. A copy of Document  
XV is attached to the minutes of the committee meeting held  
on January 4, 1974. (Reference to pages, lines and sections  
refer to the right hand side of the document unless otherwise  
specified.) The following action was taken by the committee:

The committee began discussing Section 5(G). The  
committee felt that the language used in the suggested changes  
did not clearly express the intent of the committee. They  
felt that the intent was to have the last clause of the  
section be applicable to both "inconsistent with this consti-  
tution" as well as "any law". The staff had prepared some  
alternate language to Section 5(G) for consideration by the  
committee. Mrs. Zervigon moved to approve the staff suggestion  
with some changes made by the committee. The paragraph would  
read as follows:

"Section 5(G). Parish Officials and School Boards  
Not Affected. No home rule charter or plan of government  
shall contain any provision affecting a school board or  
the offices of district attorney, sheriff, assessor, clerk  
of a district court, or coroner, which is inconsistent  
with this constitution or law."

Without objection, the motion carried.

Relative to Section 15, the committee was concerned about  
the words "including, without limitation" being left out in

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the suggested changes. The staff had prepared alternative  
language for the committee's consideration. After some  
discussion, Mrs. Zervigon moved to approve the language  
suggested by the staff which read as follows:

"Section 15. Local Governmental Subdivisions;

#### Control Over Agencies

Section 15. The governing authority of a  
local governmental subdivision shall have general  
power over any agency heretofore or hereafter created  
by it, including, without limitation, the power to  
abolish the agency and require prior approval of any  
charge or tax levied or bond issued by the agency."

Without objection, the motion carried.

Mr. Conino moved to approve Section 39(A), except that  
on page 64, line 28, after the word "Article", change the  
comma "," to a period "." and delete the remainder of the  
line and delete line 29 in its entirety. This should be  
caveated to the convention saying that this provision is  
self-operative and these are unnecessary words. Without  
objection, the motion carried.

Mr. Shannon moved to approve Section 43(A) as adopted  
by the convention, left column, except that on page 71,  
left column, line 5, after "any" and before "provision"  
change "other" to "contrary" and line 19, after "commerce,"  
add the last sentence on the right hand side (If the district  
has no ...) Without objection, the motion carried.

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Mr. Lanier moved to approve Section 43(B) with the  
exception that on page 72, line 12, after the word "of" and  
before the word "property" the word "said" be inserted.  
The motion carried without objection.

Mr. Lanier moved to approve Section 44 with the exception  
that on page 73, line 18, after the numeral "(2)" and before  
the word "by" insert the word "Only". Without objection, the  
motion carried. Mr. Toomy moved to change the title of Section  
44 to read "Port Commissions and Districts". Without objection,  
the motion carried.

Mr. Cannon moved that with respect to the use of the  
word "now" in Section 39 (Levee Districts) and Section 44  
(Ports), as adopted by the convention, that it was the con-  
sensus of the committee that the word "now" meant the date  
of adoption of the proposal by the convention; therefore,  
the committee recommends the consideration of a date certain  
such as January 1, 1974, to be inserted instead of the words  
"upon the effective date of this constitution" or the date  
"January 19, 1974", the date we assume the constitution will  
be adopted by the convention, be inserted. Without objection,  
the motion carried.

Meeting was adjourned.

  
CHAIRMAN

VICE CHAIRMAN

SECRETARY

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NOTES

Style and Drafting Comparative Presentation of proposed styling suggestions on C.P. No. 17 is reproduced in Vol. XIV, below.

Transitional Measures. A copy of the report is attached to the minutes of the November 20, 1973 committee meeting.

MINUTES

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

Held pursuant to notice given by the Secretary in accordance with Convention rules

Thursday, January 10, 1974

Treaty Room - White House Inn

Baton Rouge, Louisiana

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

Present: Harvey Cannon, E.J. Chatelain, Joseph Conino, George Dewey Hayes, Mayor Pete Heine, R. Gordon Kean, Walter I. Lanier, Corinne D. Maybuce, Terry R. Reeves, V.C. Shannon, James E. Stephenson, Joseph F. Toomy, Frank Ullo, Mary Zervigon. Absent: I. Jackson Burson, Edward D'Gerolamo, H.M. Fowler, Joseph Giarrusso, Sr., Johnny Jackson

The chairman called the meeting to order and the roll was called. A quorum being established, the meeting proceeded.

The committee continued discussing Document XV, the report of the Committee on Style and Drafting. A copy of Document XV is attached to the minutes of the committee meeting held on January 4, 1974.

Mr. Kean moved to reconsider the committee's prior approval of Section 8 and reject the suggested changes to Section 8 and approve the Section, as adopted by the convention, with the exception that on page 18, line 7, after the word "of" and before the word "cities" insert the word "a", and singularize the words "cities", "towns" and "villages". Without objection, the motion carried.

Mr. Toomy moved to reconsider the committee's prior approval of Section 16 for the purpose of inserting "all of" after "with" and before "the" on page 27, line 13. Without objection, the motion carried.

Mrs. Zervigon moved to reconsider Section 3 and to approve the changes suggested by the Committee on Style and Drafting. Without objection, the motion carried.

Mr. Lanier moved to send back Committee Proposal No. 17, with recommendations, to the Committee on Style and Drafting. Without objection, the motion carried.

The committee next began discussion of the report on transitional matters submitted by the Subcommittee on

Mr. Kean moved to place Article XIV, Section 3(b) in the super majority vote category. On a vote of 5 for and 6 against, the motion failed to pass. The voting was as follows:

Table with 2 columns: YES, NO. Lists names of members voting for and against the motion.

Mr. Burson moved to place all the articles and sections to be made statutory in the two-thirds vote category. The motion failed on a vote of 4 for and 8 against. The voting was as follows:

Table with 2 columns: YES, NO. Lists names of members voting for and against the motion.

Mr. Shannon moved to place all of the articles and sections to be made statutory in the majority vote category. On a vote of 8 for and 4 against, the motion carried. The voting was as follows:

Table with 2 columns: YES, NO. Lists names of members voting for and against the motion.

Meeting was adjourned.

CHAIRMAN (Signature)

VICE CHAIRMAN

SECRETARY

MINUTES

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

Held pursuant to notice given by  
the Secretary in accordance with  
the rules of the convention

Monday, January 14, 1974  
Treaty Room - White House Inn  
Baton Rouge, Louisiana

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

Present: I. Jackson Burson                      Absent: Joseph Giarrusso, Sr.  
Harvey Cannon    R. Gordon Kean  
E.J. Chatelain    V.C. Shannon  
Joseph Conino  
Edward D'Gerolamo  
H.M. Fowler  
George Dewey Hayes  
Pete Heine  
Johnnv Jackson  
Walter I. Lanier, Jr.  
Corrine D. Maybuce  
Terry Reeves  
James E. Stephenson  
Joseph F. Toomy  
Frank Ullo  
Mary "ervigon

The chairman called the meeting to order and roll was  
called. A quorum being established, the meeting proceeded.  
The committee was given a copy of the report to be  
submitted to the Committee on Legislative Liaison and  
Transitional Measures. A copy of the report is attached  
hereto and made a part of these minutes as Appendix A. The  
committee took the following action on the report:

Mr. Lanier moved, on page 2 of the report, to include  
Paragraphs (a), (b), (d), (e), and (f) next to Article XIV,  
Section 40. Without objection, the motion carried.

Mr. Lanier moved, on page 2, to delete Article XIV,  
Section JJ and transpose it as a statute. There was no  
objection to the motion.

Mr. Chatelain made a motion to place Article XIV,  
Section 40(c) under Section IV, page 8, of the report.  
Without objection, the motion carried.

Mr. Lanier suggested that a special transition schedule  
was needed for Article XVI, Section 6, relative to compensation  
for property used or destroyed for levee purposes. He felt  
that such a transition provision was necessary to show the  
intent of the committee to transpose the present provision for  
compensation until such time as the legislature acts to effectuate  
the new Section on this subject matter. Mr. Perez suggested  
that transposing Article XVI, Section 6 as a statute might  
take care of this problem. Mr. Stephenson moved to give Mr.  
Perez authority to decide the proper manner in which to handle  
this matter after consulting the Committee on Legislative  
Liaison and Transitional Measures. Without objection, the  
motion carried.

On the last page of the report, footnote No. 2, the  
Section title was changed to "Home Rule Charters; Authorization"  
and the Section was redrafted to read as follows:

"Section \_\_\_\_\_. The provisions of Article XIV,  
Sections 3(a), 3(c), 3(d) (second), 22, 37, and 40(c)  
of the Constitution of 1921 are continued in effect  
as the constitutional authorization for home rule charters  
or plans of government ratified in Article VI, Section 4  
of this constitution."

Mr. Burson moved to adopt the report with the above  
changes. Without objection, the motion carried.

Mr. Chatelain made a motion authorizing the chairman  
to approve all the minutes which have not been approved.  
Without objection, the motion carried.

There being no further business, the meeting was adjourned.

  
CHAIRMAN

VICE CHAIRMAN

SECRETARY

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#### NOTES

Report to the Committee on Legislative Liaison  
and Transitional Measures is reproduced in  
Vol. XIV, below.

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# B. Subcommittee Minutes

## 1. Subcommittee on Jurisdiction

### MINUTES

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

State Capitol, Baton Rouge, Louisiana

Monday, February 26, 1973, 1:30 P.M.

Presiding: R. Gordon Kean, Chairman of the Subcommittee on  
Jurisdiction

Present: R. Gordon Kean  
I. Jackson Burson  
Walter Lanier, Jr.  
V. C. Shannon  
Joseph F. Toomey  
Mrs. Mary Zervigon  
Terry Reeves  
Harvey Cannon

The chairman stated that the Legislative Council made a study of the Constitution of 1921 in view of what should be considered within the jurisdiction of the Local and Parochial Government Committee. From this study, the Council prepared a compilation of the articles it deemed applicable.

Mr. Chalin Perez has attempted to scan Articles IV, XIV, and XIX and other various articles that he has been able to find in the present Constitution which are applicable to this committee. These provisions are divided into four groupings: (1) General Provisions; (2) Transportation; (3) Special Districts; and (4) City of New Orleans. These groupings are for convenience only and are not intended to indicate specific areas of committee action. A copy of these provisions is attached hereto and made a part of these minutes.

The subcommittee discussed certain materials which may fall either within the jurisdiction of the committee or one of the other substantive committees. The subcommittee feels it unnecessary to resolve these questions at this time, but has listed these questions to indicate examples of matters which may need to be referred to the Coordinating Committee for resolution. A copy of these questions is attached hereto.

It was acknowledged that several areas were possibly missed, but that this information is a good beginning. The subcommittee requested that copies of the above mentioned materials be mailed to all committee members along with the report of the Constitution Revision Commission containing local government proposals taken from the proposed South Dakota Constitution and from the Model State Constitution prepared by the National Municipal League, local government recommendations made by the Local Government Committee of the Louisiana Constitutional Revision Committee, and the report by the Louisiana Law Institute whose work preceded the work of the Revision Commission.

There being nothing further to discuss, the meeting adjourned  
at 3:45 P.M.

  
R. Gordon Kean, Chairman  
  
W. C. Shannon, Secretary

### EXHIBIT "1"

The following groupings of provisions in the Constitution of 1921 are considered to be within the scope of the assigned jurisdiction of the Committee:

#### GROUP I - GENERAL PROVISIONS

##### A. ARTICLE IV - Limitations

###### Section:

2. Public debt; alienation of public lands; reservation of mineral rights; mineral leases; royalty and fund; parish road bonds
- 2(a). Board of liquidation of state debt, bonds; public works
- 4,5,6 Local or special laws
12. Loan or pledge of public credit, relief of destitute; donations; transfer of property; bonds; leasing of health institutions; donation to U.S. for Veterans Hospital  
(loan or pledge of public credit insofar as it applies to local government).
18. Legislation to enable compliance with federal laws and regulations to secure federal aid in capital improvement projects.

##### B. ARTICLE IX - Removal from Office

###### Section:

9. Recall

##### C. ARTICLE X - REVENUE AND TAXATION

###### Section:

1. Taxing power; specific taxes
4. Tax exemptions
5. Parochial and municipal corporations; public boards; taxing powers; limitations
6. Local, municipal and district taxes; assessment; collection
8. License taxes; restrictions
9. Banks, domicile out of state; international or foreign banking; tax
10. Political subdivisions; special local taxes; purposes, limitations
- 10 a. Special tax for municipal services
- 10 b. Revenue Sharing Fund
11. Collection of taxes; tax sales; quieting tax title; postponement of taxes; loans to parishes
13. Local improvement assessments
14. Local application of certain constitutional provisions
15. Survey and maps to aid assessment and taxation, cost

- 17. Vehicles; license taxes; double taxation
- 19. Dwelling house exemption in certain municipalities; time limit
- 21. Severance tax on natural resources
- 22. New industries; exemption from municipal and parochial taxation; school tax exception
- 23. Tax levy for capital improvements at Francis T. Nicholls State College at Thibodaux

D. ARTICLE XIV - PAROCHIAL & MUNICIPAL AFFAIRS

Section:

- 1. New Parishes
- 2. Change of parish lines or removal of seat; election
- 3. Optional plans of parochial government
- 3 (a). East Baton Rouge Parish
- 3 (c). Jefferson Parish; charter commission; plan of government
- 3 (d). Parish Charter Commission
- 3 (e). St. Bernard Parish; home rule powers, plan of government

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- 3 (f). St. Charles Parish; charter commission; plan of government
- 3 (g). Parish charter commission; its duties, powers, functions and limitations
- 4. Dissolution and merger of parishes.
- 5. New or enlarged parishes; adjustment of assets and liabilities
- 6. Withdrawal of municipality from parochial taxing authority
- 8. Parochial taxation in cities and towns; limitation
- 10. Municipal consolidation; special taxes
- 11. Parochial tax limits; tax for municipal, district and parish fairs.
- 12. Municipal tax limits; special taxes
- 13. City of Shreveport bonds ratified and reaffirmed
- 16. Servitudes; public acquisition by prescription
- 17. State penal institutions; crimes in, or by inmates or employees; reimbursement of parish expense
- 18. Municipal ice factories
- 19. Special tax to aid public utilities; elections, qualification of voters
- 22 (a). Vieux Carre Commission
- 24 (1). Motor fuel; local taxation prohibited
- 29. Zoning ordinances
- 29 (1). Parish industrial areas
- 32. Caddo Parish; sale of jail site; proceeds
- 37. Shreveport; home rule; charter commission
- 39. City of Lake Charles; reclamation and development of lake front
- 40. Municipalities; charters and powers; home rule
- 44. City of Lake Charles; reclamation and development of lake bed and waterfront; acquisition of property; bonds
- 44 (1). City of Lake Charles; reclamation and development of lake front; acquisition of property; bonds

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- 46. Governing authorities of parishes and municipalities; power to abolish agencies created by them; fiscal and budgetary controls

- 48. Municipalities and special service districts; annexed areas contracts; taxation and transfer of facilities

GROUP 11 - TRANSPORTATION

A. ARTICLE VI - ADMINISTRATIVE OFFICERS & BOARDS

Section:

- 16. Board of commissioners of the port of New Orleans
- 16 (1). Powers of Board; lease of lands required for navigation canal
- 16 (2). Powers of Board; organization of industrial districts
- 16 (3). Powers of board; organization of industrial districts; continuing authority
- 16 (4). Additional authority of board
- 16 (5). Limitation on bonded indebtedness
- 16 (6). Additional powers and authority
- 17. Members of board; appointment; term; removal
- 24. Bonds for New Orleans - Chef Menteur and New Orleans-Hammond highway
- 27. Lake Pontchartrain Causeway
- 29. Greater Baton Rouge port commission
- 29 (1). Debt limitation
- 29 (2). Ascension Parish included in Port area
- 29 (3). Number of commissioners
- 29 (4). Full faith and credit of parishes pledged
- 31. Greater Ouachita Port Commission
- 32. Caddo-Bossier Parishes Port Commission
- 33. Lake Providence Port Commission
- 33 (1) South Louisiana Port Commission
- 34. Concordia Parish Port Commission
- 35. Avoyelles Parish Port Commission
- 36 (1). Rapides Parish Port Commission

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B. ARTICLE VI -A - GASOLINE TAX FOR PORTS

Section:

- 1. Additional motor fuel tax
- 2. Dealers; persons taxable; definition
- 3. Importers; reports
- 4. Dealers; payment of tax; reports; bond; enforcement; aircraft fuel
- 5. Disposition of collections; allocation; expenditures; inner-harbor navigation canal bridge or tunnel
- 6. Purpose and intent of article
- 7. Supervision of public accounts; powers and duties
- 8. Penalties for delinquency
- 9. Failure to report; examination of books and records; computation of tax
- 10. Falsification; enforcement; bond
- 11. Costs and receipts
- 12. Enforcement expenses
- 13. Self-operative effect
- 14. Exemptions

C. ARTICLE XIV - PAROCHIAL & MUNICIPAL AFFAIRS

Section:

- 6. Property for navigation canals; acquisition by parishes or municipalities; financing
- 30. Improvements by riparian owners in cities over 5,000 or within port of New Orleans; expropriation; just compensation
- 30(1). Port, harbor and terminal districts; creation as political subdivisions
- 30(2). Lake Charles harbor and terminal district; ratification
- 30(3). Navigation and river improvement districts; creation as political subdivisions
- 30(4). Navigation and river improvement districts; effect on levee boards
- 30(5). Red River Waterway
- 31. Port, harbor and terminal districts; creation as political subdivisions; ratification of Lake Charles harbor and terminal district
- 31(6). New Orleans; Moisant International Airport Improvements
- 45. Sabine River Authority

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GROUP III - SPECIAL DISTRICTS

A. ARTICLE VI - ADMINISTRATIVE OFFICERS & BOARDS

Section:

- 11(1). Mosquito abatement districts

B. ARTICLE XIV - PAROCHIAL & MUNICIPAL AFFAIRS

Section:

- 3(b). East Baton Rouge Parish; recreation and park commission
- 3(d). Acquisition and financing of sewerage improvements
- 14. Subdivisions of state; creation; indebtedness; bond issues; special taxes.
- 33. Industrial plant erection; agricultural industrial boards
- 34. Garbage districts
- 35. Fourth Jefferson drainage district; bond issue
- 36. Jefferson Parish; community center and playground districts; bonds
- 37(1). Jefferson Parish; sub-sewerage districts
- 38. Jefferson Parish; public improvement districts; levee systems, pumps, etc.; indebtedness; bonds
- 38. Jefferson Parish; public improvement districts
- 38(1). St. Charles Parish; reclamation projects by public improvement districts
- 39(1). Calcasieu Parish; community center and playground districts; bond issues; secret treasury-treasurer's performance bond
- 43. Jefferson Parish; consolidated drainage districts; bonds; taxation
- 47. Louisiana Stadium and Exposition District

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C. ARTICLE XV - DRAINAGE DISTRICTS

Section:

- 1. Authorization; powers
- 2. Existing laws continued

- 3. Bayou Lafourche fresh water district
- 4. Iatt Lake Water Conservation District

D. ARTICLE XVI - LEVEES

Section:

- 1. Levee system; maintenance; state tax
- 2. District taxes; Orleans levee district tax
- 3. Bond issues
- 4. Interstate districts
- 5. Cooperation with federal government
- 6. Compensation for property used or destroyed; tax
- 7. Orleans levee district; board of commissioners; powers
- 8. Pontchartrain levee district; commissioners; land protection; bonds
- 8(a) Pontchartrain levee district; additional bond issue

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GROUP IV - CITY OF NEW ORLEANS

A. ARTICLE XIV - PAROCHIAL AND MUNICIPAL AFFAIRS

Section:

- 22. New Orleans; election of officers; form of government; powers; home rule charter
- 23. New Orleans; special acts ratified
- 23(1). New Orleans; sewerage, water and drainage system; special tax; disbursements
- 23(2). New Orleans; sewerage, water and drainage system; extension; special tax
- 23(3). New Orleans; sewerage and water board; water rates; sinking fund; water works construction
- 23(4). New Orleans; sewerage, water and drainage bonds; limitation upon bonded indebtedness
- 23(5). New Orleans; tax levy to pay bonds; disposal of residue; proceeds from assessments
- 23(6). New Orleans; tax exemption of bonds; investment in bonds; use as security; registration
- 23(7). New Orleans; interest rate of bonds; form; maximum annual amount due; signatures; cost of preparation and sale
- 23(8). New Orleans; sale of bonds
- 23(9). New Orleans; proceeds of bond sale
- 23(10). New Orleans; continuation of board of liquidation, city debt; application of tax proceeds
- 23(11). New Orleans; application of §§ 23.4 to 23.10 to other related provisions
- 23(12). New Orleans; effective date
- 23(13). New Orleans; classification for drainage purposes
- 23(14). New Orleans; hearing relating to drainage area
- 23(15). New Orleans; proceedings following hearing relating to drainage area
- 23(16). New Orleans; construction of drainage works

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- 23(1). New Orleans; assessments charged in drainage area
- 23(18). New Orleans; property subject to assessment; interest; certification; collection
- 23(19). New Orleans; delinquent installments
- 23(20). New Orleans; issuance of certificates following no interest period

- 23(21) New Orleans; sale of certificates
- 23(22) New Orleans; use of funds
- 23(23) New Orleans; debt limit; exclusion of certificates
- 23(24) New Orleans; sale for other taxes; continuation of lien
- 23(25) New Orleans; tax exemption of certificates; investment in certificates; certificates as security
- 23(26) New Orleans; sections 23.13 to 23.27 self-operative
- 23(27) New Orleans; effective date of sections 23.13 to 23.26
- 23(28) New Orleans; rate fixing; private users of sewerage system; revenue bonds
- 23(29) New Orleans; no obligation to provide funds
- 23(30) New Orleans; rules and regulations; provisions self-operative; board continued; repeal; severability
- 23(31) New Orleans; drainage system; special tax; investments; disbursements
- 23(32) New Orleans; drainage bonds
- 23(33) New Orleans; tax levy to pay bonds; disposal of residue; proceeds from assessments
- 23(34) New Orleans; tax exemption of bonds; investments; use as security; registration
- 23(35) New Orleans; interest rate of bonds; form; maximum annual amount due; signatures; costs
- 23(36) New Orleans; sale of bonds
- 23(37) New Orleans; proceeds of bond sale
- 23(38) New Orleans; continuation of board; application of proceeds
- 23(39) New Orleans; application of §§ 23.32 to 23.38 to other related provisions

- 24(18) New Orleans, 1930 bond issue; interest; form
- 24(19) New Orleans; 1930 bond issue; sale of bonds
- 24(20) New Orleans; 1930 bond issue; application of revenue to payment
- 24(21) New Orleans; 1930 bond issue; self-operative provisions
- 24(22) New Orleans; 1930 bond issue; emergency borrowing
- 24(23) New Orleans; street, water and sewer improvements; assessments; liens
- 25. New Orleans; special tax for fire and police department
- 25 (1) New Orleans; special tax for general municipal purposes
- 26. New Orleans; public belt railroad; commission
- 27. New Orleans; public belt railroad; bonds and notes
- 28. New Orleans; public belt bridge over Mississippi; use; financing
- 31(1) New Orleans; bond issue to purchase ferry system
- 31(3) New Orleans; railroad passenger stations
- 31(4) New Orleans; Upper Pontalba Building; refinancing obligations
- 31(7) New Orleans; vehicular and/or pedestrian crossing over or under Inner-Harbor Navigation Canal

B. ARTICLE XIX-- General Provisions

- Section
- 20. New Basin Canal and Shell Road

- 23(40) New Orleans; provisions self-operative
- 23(41) New Orleans; effective date
- 23(42) New Orleans; termination of right to mill levy use of proceeds
- 23(43) New Orleans; validity of bonds; repealer; severability
- 24 New Orleans; board of liquidation of city debt; bond issues for public improvements
- 24 (2) New Orleans; sewerage, water and drainage bonds; authorization
- 24 (3) New Orleans; sewerage, water and drainage bonds; authorization by election
- 24 (4) New Orleans; sewerage, water and drainage bonds; funds for payment.
- 24 (5) New Orleans; sewerage, water and drainage bonds; tax
- 24 (6) New Orleans; sewerage, water and drainage bonds; payment; tax exemption; authorized investment of security
- 24 (7) New Orleans; sewerage, water and drainage bonds; interest; form
- 24 (8) New Orleans; sewerage, water and drainage bonds, sale
- 24 (9) New Orleans; sewerage, water and drainage bonds; use of proceeds
- 24(10) New Orleans; sewerage, water and drainage bonds; board of liquidation; duties
- 24(11) New Orleans; sewerage, water and drainage bonds; self-operative provisions
- 24(12) New Orleans; 1930 bond issue; authorization
- 24(13) New Orleans; 1930 bond issue; purposes
- 24(14) New Orleans; 1930 bond issue; debt limit
- 24(15) New Orleans; 1930 bond issue; funds pledged for payment
- 24(16) New Orleans; 1930 bond issue; tax
- 24(17) New Orleans; 1930 bond issue; payment; tax exemption; authorized investment; security for deposits

EXHIBIT "B"

QUESTIONS

ARTICLE VII - JUDICIARY DEPARTMENT

- Section:
- 46. Justice of the peace wards; number; reduction; abolition of office
- 47. Justices; qualifications; election; term of office
- 48. Jurisdiction
- 49. Constables; election; term of office; qualifications
- 50. Fees; salaries
- 51. Justice of the peace courts; city courts
- 51 (a). Parish courts, Jefferson Parish
- 53. Family court for Parish of East Baton Rouge
- 65. Establishment of office; election; ex-Officio tax collector bonds; discharge as collector
- 69. Vacancies; appointments; special elections; notices
- 74. Compensation of sheriffs and clerks of court
- 75. Qualifications
- 80. Establishment; composition; compensation; additional sections; assignment of judges
- 81. Civil and appellate jurisdiction
- 82. Establishment; composition
- 83. Jurisdiction and powers
- 84. Transfer of cases
- 85. Stenographers; minute clerks; salaries; deputy sheriffs; judges' vacations and absences
- 86. Distribution of cases; control; rules

- |     |   |     |  |
|-----|---|-----|--|
| 87. | Change of provisions relating to criminal courts  |     | 3/4 of severance taxes on timber goes to the parish where timber is severed and any other provisions of this section which effect local government |
| 88. | Salaries of parish and city officers  |     |  |
| 89. | Parish officers; election; continuation of prior law  | 4.  | Tax exemptions:  |
| 90. | First city court; judge ; terms; salary   |     | Insofar as it applies to local government  |
| 91. | First city court; jurisdiction; pleadings; authority; procedure; costs; appeals; small claims | 9.  | Banks, domicile out of state; international or foreign banking; tax  |
| 92. | Second city court; jurisdiction; officers; interchange of judges and clerks                   |     | Insofar as it applies to 1/2 of the tax to go to the municipality wherein it has its principal office  |
| 93. | Vacancies; temporary filling by district judges   | 11. | Collection of taxes; tax sales; quieting tax titles; postponement of taxes; loans to parishes  |
| 94. | New Orleans; municipal and traffic courts; personnel; jurisdiction; appeals                   |     | Insofar as it pertains to "loans to parishes"  |
| 95. | Sources of fund; control and administration; accounting                                       | 21. | Severance tax on natural resources   |
| 96. | Establishment, jurisdiction; appeals; procedure; judges                                       |     | Insofar as the percentage of proceeds go to parishes   |
| 97. | Time of election of judges and other parish officers  | 24. | Authority for tax relief for manufacturing establishments  |

ARTICLE X - REVENUE AND TAXATION

Section:

1. Taxing power; specific taxes  
Only insofar as said section applies to the evaluation and classification fixed for state purposes shall be the evaluations and classifications for local purposes, etc.

ARTICLE XIV - PAROCHIAL AND MUNICIPAL AFFAIRS

Section:

15. Civil service system; state; cities
- 15.1 Fire and police civil service; municipalities of 13,000 to 250,000

## 2. Subcommittee on Drafting General Provisions and Subcommittee on Finance

### MINUTES

Minutes of the Subcommittee on Drafting General Provisions of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

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

Committee Room 9, State Capitol,  
Baton Rouge, Louisiana  
Saturday, March 31, 1973, 9:00 a.m.

Presiding: I. Jackson Burson, Chairman of the Subcommittee

Present: I. Jackson Burson      Absent: Edward D'Gerolamo  
R. Gordon Kean                      Johnny Jackson, Jr.  
Walter I. Lanier, Jr.  
Chalin O. Perez  
Mary Zervigon

The subcommittee met to continue drafting proposals containing general constitutional provisions for local and parochial government.

There was considerable discussion concerning whether the subcommittee should consider the regulation of parish boundaries. However, Mr. Burson stated that since this was not previously created in the constitution and is not mentioned in any of the Projet material, the subcommittee will not submit an article pertaining to this matter to the full committee.

Mr. Kean stated the statutes authorize a parish to adopt whatever form of government it desires, and reiterated his objection to having a constitutional provision concerning this matter. However, he explained that a constitutional provision is needed to give municipalities protection from legislative interference concerning the authority dealing with local concern. Mr. Burson advised that the subcommittee has prepared a draft on home rule charter, and this provision would be submitted to the full committee for their approval.

Considerable discussion ensued concerning the problem of an unincorporated area wishing to be incorporated as a municipality and the selecting of their type of government. It was decided that the subcommittee would discuss this matter in more detail at a later date before submitting it to the full committee.

The staff was asked to prepare a proposal concerning filling of vacancies and the authority (including sheriff, clerk of court, assessors, school boards, and coroner).

Mr. Kean requested the staff to prepare a proposal relative to expropriation and acquisition of property rights into one section.

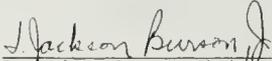
The subcommittee discussed the subject of revenue sharing, and Mr. Burson stated that when the subcommittee begins the drafting of such articles, they should consider how local governmental units should share in revenue sharing.

It was decided that the taxing authority proposal would contain a four mill limitation for parishes and a seven mill limitation for municipalities, with a provision in the constitution that an expansion of this limitation will be allowed by a majority vote of the local people.

2

The members reviewed the proposals the staff had prepared at the request of the subcommittee of March 24, 1973, and several changes were made.

The meeting was adjourned at 1:00 p.m.

  
I. Jackson Burson, Chairman  
Subcommittee on Drafting General Provisions

  
Chalin O. Perez, Chairman  
Committee on Local and Parochial Government

### MINUTES

Minutes of the Subcommittee Drafting General Provisions of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 10, 1973

Committee Room 10, State Capitol  
Baton Rouge, Louisiana  
Saturday, April 14, 1973, 9:00 a.m.

Presiding: I. Jackson Burson, Chairman of the Subcommittee  
Drafting General Provisions

Present: I. Jackson Burson      Absent: Edward D'Gerolamo  
R. Gordon Kean  
Walter Lanier, Jr.  
Mary Zervigon  
Chalin Perez

The chairman called the meeting to order and opened discussion on zoning. Mr. Kean suggested the Louisiana Law Institute's approach to zoning, and made reference to the recommendations of Mr. Manly Mumford. After discussion, the staff was requested to draft a proposal relative to zoning.

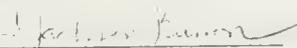
The subcommittee discussed the filling of vacancies in local offices as provided in Article VII, Section 69, and debated whether to extend the provision to include the sheriff, assessor, clerk of district court, and coroner. It was decided to remove these offices from the proposal.

The staff was directed to draft a proposal relative to this subject.

Other proposals to be included in the article on local and parochial government were discussed.

Mr. Kean began a general discussion on the Fordham Plan presently being considered by the subcommittee. He questioned this broad grant of authority to political subdivisions, and suggested the subcommittee might wish to reconsider its position so as not to preclude the state legislature from enacting general laws that would affect political subdivisions.

The subcommittee adjourned at 1:30 p.m.

  
I. Jackson Burson, Chairman

2

Subcommittee Drafting General Provisions

Committee Room 205  
State Capitol

Friday, April 27, 1973

Presiding: I. Jackson Burson, chairman, Subcommittee  
Drafting General Provisions

The subcommittee discussed in detail the drafts the staff prepared from the previous meetings of this subcommittee. Mr. Lanier submitted a proposal on the powers and limitations on local governmental units, and considerable discussion ensued concerning this matter. Mr. Burson questioned the feasibility of having a supremacy clause in this proposal, and there was discussion relative to a certificate of bonded indebtedness.

Mr. Kean offered a motion to approve Section D of Mr. Lanier's proposal concerning the issuance of negotiable bonds, imposing new taxes, or increasing existing taxes by units of local government. His motion also included approval of Section E stating that the legislature may provide specifically by law for the exclusive exercise by the state of any power or function of a local unit of government other than a taxing power or a power or function specified in subsection (f); and submit these sections to the Subcommittee on Finance for their consideration. Mr. Lanier objected, but the motion passed.

Upon returning from lunch, Mr. D'Gerolamo moved the minutes from the subcommittee meeting on March 26, 1973,

3

be approved, and the chairman so ordered.

Considerable discussion ensued concerning revenue sharing and collective bargaining.

It was decided that the section dealing with the legislature increasing municipal or parish financial burdens

would be submitted to the full committee for further consideration without any specific recommendations from this subcommittee.

Chairman Burson explained that the subcommittee should not try to be too specific; a certain amount must be left to the interpretation of the constitution.

The staff was asked to prepare the proposal with the changes recommended by the subcommittee at this meeting in order that the subcommittee could approve the final language in the morning and have a final draft to submit to the full committee.

The subcommittee recessed at 5:30 p.m.

Saturday, April 28, 1973

Chairman Burson called the meeting to order. He explained that the subcommittee would review the draft of proposal the staff had prepared as a result of yesterday's meeting.

The subcommittee, with advice from Mr. Salvador Anzelmo, discussed each section of the draft and made various changes. A complete copy of the corrected proposal is attached hereto and made a part of these minutes.

The subcommittee adjourned at 2:00 p.m.

4

I. JACKSON BURSON, Chairman

CC/RS-190

- 1 Constitutional Convention of Louisiana of 1973
- 2 SUBCOMMITTEE PROPOSAL NUMBER
- 3 Introduced by Delegates Burson, D'Gerolamo, J. Jackson, Jr.,
- 4 Kean, Lanier, Perez, and Zervigon
- 5
- 6 PROPOSED SECTIONS:
- 7 Article \_\_\_\_, Section \_\_\_\_. Municipalities; incorporation,
- 8 consolidation, merger, and government
- 9 Section 1. The legislature shall provide by general
- 10 law for the incorporation, consolidation, merger, and
- 11 government of municipalities. The legislature shall not
- 12 pass any special law creating municipal corporations or
- 13 amending, modifying, or repealing their charters, provided
- 14 that where a municipality is now operating under a special
- 15 legislative charter same may be amended, modified, or
- 16 repealed by special or local law as long as such municipi-
- 17 pality continues to operate under such charter.
- 18
- 19 Reported favorably.
- 20
- 21 Source: La. Const. Art. XIV, §40 (1921).
- 22
- 23 Comment: Provides for municipal incorporation by general
- 24 law. Prohibits special law in language similar to source
- 25 provision.
- 26
- 27 Article \_\_\_\_, Section \_\_\_\_. Parishes; ratification of

28 boundaries, creation, consolidation, and dissolution  
29 Section 2. All parishes and their boundaries as estab-  
30 lished under existing law are recognized and ratified.  
31 The legislature shall provide by general law for the  
32 creation, consolidation, or dissolution of parishes  
33 under the limitations hereinafter provided. No new parish  
34 shall contain less than six hundred twenty-five square  
35 miles, nor less than fifty thousand inhabitants; nor shall

2

1 any parish be reduced below that area or number of  
2 inhabitants.

3  
4 Reported favorably.

5  
6 Source: La. Const. Art. XIV, §1, 4 (1921).

7  
8 Comment: Provides for ratification of existing parish  
9 boundaries. Increases the population requirement of the  
10 existing provision for creation of new parishes from  
11 seven thousand to fifty thousand inhabitants.

12  
13 Article \_\_\_\_, Section \_\_\_\_. Change of parish lines;  
14 election

15 Section 3. All laws changing parish lines, consolida-  
16 ting parishes, dissolving parishes, or creating new parishes  
17 shall, before taking effect, be submitted to the electors  
18 of the parish or parishes to be affected thereby at a special  
19 election held for that purpose, and no such change shall  
20 take effect unless two-thirds of the total vote cast by  
21 the electors in each parish affected is in favor thereof.

22  
23 Reported without action. There is a division among members  
24 of the subcommittee as to whether a majority vote or two-  
25 thirds vote should be required to change parish lines.

26 The Law Institute recommends a majority vote.

27  
28 Source: La. Const. Art. XIV, §2, 4 (1921).

29  
30 Comment: Provides for consolidation, dissolution, and  
31 creation of new parishes only after approval by a two-  
32 thirds vote in each affected parish. The source pro-  
33 visions provide that parishes may be dissolved and merged  
34 by a two-thirds vote by the electors of the dissolving  
35 parish and approval by a majority vote of the electors

3

1 of the parish or parishes into which the dissolved parish  
2 is to become incorporated.

3  
4 Article \_\_\_\_, Section \_\_\_\_. New or enlarged parishes;  
5 adjustment of assets and liabilities

6 Section 4. Whenever a parish shall be enlarged or  
7 created from territory contiguous thereto, it shall be  
8 entitled to a just proportion of the property and assets,  
9 and be liable for a just proportion of the existing debts or  
10 liabilities of the parish or parishes from which such  
11 territory shall have been taken.

12  
13 Reported favorably.

14  
15 Source: La. Const. Art. XIV, §5 (1921).

16  
17 Comment: This section provides a method of property division  
18 and debt assumption when new parishes are created or when  
19 parishes are enlarged. This section is taken verbatim  
20 from the source provision.

21  
22 Article \_\_\_\_, Section \_\_\_\_. Removal of parish seat

23 Section 5. The governing authority of a parish, upon  
24 the written petition of not less than twenty-five percent  
25 of the electors thereof, as certified to by the registrar  
26 of voters, shall call an election on the question of  
27 changing the location of the parish seat. The election  
28 shall be conducted in the manner provided by the general  
29 election laws of the state, insofar as applicable. The  
30 location of a parish seat shall not be changed unless two-  
31 thirds of the total vote cast by the electors on this  
32 question at the election is in favor thereof.

33  
34 Reported favorably.

35  
4  
1 Source: La. Const. Art. XIV, §2 (1921).

2  
3 Comment: This section retains the requirement of a two-  
4 thirds approval by the electors voting at a special  
5 election to affect a change in the location of the  
6 parish seat, and also adds details as to how the election  
7 may be called and how it shall be conducted.

8  
9 Article \_\_\_\_, Section \_\_\_\_. Existing home rule charters  
10 and plans of government of parishes and municipalities  
11 ratified

12 Section 6. The plans of government and home rule  
13 charters of the parishes of East Baton Rouge, Jefferson,  
14 and Plaquemines and of the cities of New Orleans, Baton  
15 Rouge, and Shreveport shall remain in effect until amended,  
16 modified, or repealed as provided therein. Each of these  
17 local governmental units shall retain the authority,

18 powers, rights, privileges, and immunities granted, and  
19 shall be subject to the duties imposed by the applicable  
20 constitutional provisions under which their respective  
21 plans or charters were adopted. These local governmental  
22 units shall also enjoy such additional powers as are granted  
23 to local governments by provisions of this constitution,  
24 unless the exercise of such powers is prohibited by their  
25 charters. All other home rule charters of local govern-  
26 ment created or authorized at the time of the adoption of  
27 this constitution shall remain in effect and may be amended,  
28 modified, or repealed as provided therein.

29  
30 Reported favorably.

31  
32 Source: La. Const. Art. XIV, §§ 3(a), 3(c), 3(second d),  
33 22, 37 (1921).

34  
35 Comment: (a) The source provisions provide in detail for the

5

1 establishment and operation of the plan of government  
2 for the parishes of East Baton Rouge and Jefferson, and  
3 the cities of Baton Rouge, New Orleans, and Shreveport.  
4 Since the source provisions provide for purely local  
5 matters, it is not necessary to include the detailed  
6 provisions in the text of the constitution.

7 (b) Under Const. Art. XIV, §3(second d), detailed pro-  
8 cedures are set out for the adoption of a charter com-  
9 mission form of parish government. Such a plan of  
10 government has been adopted in Plaquemines Parish and  
11 is specifically ratified in this section.

12  
13 Article \_\_\_\_\_, Section \_\_\_\_\_. Powers and limitations on  
14 local governmental units

15 Section 7. A. Any parish, municipality or other unit  
16 of local government may exercise any power and perform  
17 any function pertaining to its local government and all  
18 other powers necessary, requisite or proper for the manage-  
19 ment of its local affairs not denied to it by its charter,  
20 by this constitution, or by general law, including, but not  
21 limited to, the power to legislate upon, regulate, conduct  
22 and control all matters of local governmental administra-  
23 tion, to define the powers, duties, and qualifications of  
24 parochial or municipal employees, and to provide for the  
25 protection of the public health, safety, morals and wel-  
26 fare; to license; to tax; and to incur debt and issue  
27 bonds, except as otherwise provided in this constitution.  
28 Any parish, municipality or other unit of local govern-  
29 ment may exercise and perform concurrently with the state  
30 any power or function pertaining to its government and  
31 affairs to the extent that the legislature by general law  
32 does not specifically limit the concurrent exercise of any

33 such power or function or specifically declare the state's  
34 exercise of any such power or function to be exclusive  
35 except as hereinafter provided.

6

1 B. Parishes, municipalities, or other units of local  
2 government do not have the power (1) to incur debt  
3 payable from ad valorem tax receipts maturing more than  
4 forty years from the time it is incurred; (2) to define  
5 and provide for the punishment of a felony; or (3) to  
6 enact private or civil laws governing civil relation-  
7 ships.

8 C. Parishes, municipalities, or other units of local  
9 government shall have only the power that the legislature  
10 may provide by law to levy and collect occupational license  
11 taxes upon or measured by income or earnings.

12 D. The legislature may not deny or limit the power of  
13 parishes, municipalities or other units of local government  
14 (1) to make local improvements by special assessment and  
15 to exercise this power jointly with other parishes and  
16 municipalities, and other classes of units of local  
17 government having that power on the effective date of this  
18 constitution unless that power is subsequently denied by  
19 law to any such other units of local government; or (2)  
20 to levy or impose additional taxes upon areas within  
21 their boundaries in the manner provided by law for the  
22 provision of special services to those areas and for the  
23 payment of debt incurred in order to provide those special  
24 services.

25 E. The legislature shall not pass any law which shall  
26 change, modify, or affect the structure and/or organization  
27 and/or the particular distribution and redistribution of  
28 the powers and functions of any parish, municipality, or  
29 other unit of local government which has heretofore or  
30 hereafter adopted a home rule charter.

31 F. Powers and functions of parishes, municipalities,  
32 or other units of local government shall be construed  
33 liberally in favor of said parishes, municipalities, or  
34 other units of local government.

7

1 Reported favorably.

2  
3 Source: Ill. Const. Art. VII, §§6(a), 6(d), 6(a), 6(f),  
4 6(m) (1970); and Model State Constitution, Sixth Edition  
5 (Revised) Art. VIII, §8.02 (1968).

6  
7 Comment: (a) The provisions in this section grant broad  
8 powers of local self-government to parishes, municipalities

9 and other units of local government. The grant of powers  
10 is accomplished in two ways. In paragraph A these units  
11 of local government are given general authority to  
12 exercise any power and perform any function relating to  
13 their government and affairs. Second, four important  
14 powers--to regulate, to license, to tax, and to incur  
15 indebtedness--are enumerated in the powers given to these  
16 units of local government.

17 (b) This broad grant of powers is subject to restric-  
18 tions set forth in paragraph B relating to local debt,  
19 defining and providing for punishment of a felony and  
20 private or civil laws governing civil relationships.

21

22 Article \_\_\_\_, Section \_\_\_\_. Home rule charter

23 Section 8. A. The electors of any parish, municipi-  
24 tality, or other unit of local government authorized by  
25 law to perform general governmental functions may draft,  
26 adopt, or amend a charter of government to be known as a  
27 home rule charter in accordance with the provisions of this  
28 section. The governing authority of any such parish,  
29 municipality, or other unit of local government may appoint  
30 a commission to prepare and propose a charter, or may call  
31 an election for the purpose of electing such a commission  
32 in accordance with the primary and general election laws  
33 of the state. The legislature shall provide by general  
34 law for the implementation of this section.

35 B. The governing authority of any such parish,

8

1 municipality, or other unit of local government shall call  
2 an election for the purpose of electing a commission to  
3 prepare and propose a charter or alternate charter when it  
4 is presented with a petition signed by not less than twenty  
5 percent of the qualified electors who live within the  
6 boundaries of the affected parish, municipality, or other  
7 unit of local government, as certified by the registrar of  
8 voters. A home rule charter shall be adopted when approved  
9 by a majority of the qualified electors voting on the  
10 charter proposal at an election to be called and held in  
11 accordance with the general election laws of this state.

12  
13 Reported favorably.

14  
15 Source: La. Const. Art. XIV, §40 (1921).

16  
17 Comment: These provisions grant home rule powers to parishes,  
18 municipalities, and other local governmental units authorized  
19 by law to perform general governmental functions. A home  
20 rule charter may be adopted by a municipality under R.S.  
21 33:1381, et seq., which are general laws providing the  
22 requirements for adoption of a home rule charter.

23

24 Article \_\_\_\_, Section \_\_\_\_. Legislation increasing municipal  
25 or parish financial burdens; local approval

26 Section 9. No law or regulation having the effect of  
27 law requiring increased municipal or parish expenditures  
28 from local funds shall have effect except upon approval by ordi-  
29 nance enacted by the affected local governing authority.  
30 When funds sufficient to meet the increased local expendi-  
31 ture are provided to the municipal or parish government by  
32 that legislation or by separate legislation enacted at the  
33 same legislative session, local approval is unnecessary.

34  
35 Reported without action. There is a division among members of

9

1 the subcommittee. Some members feel if this section is  
2 adopted, a provision should be approved allowing municipal  
3 employees to bargain collectively, and/or a provision per-  
4 mitting municipal employees under civil service to engage  
5 in certain political activities.

6

7 Source: New

8

9 Comment: Authorizes the legislature to impose new financial  
10 burdens upon municipalities or parishes only when funds are  
11 appropriated, or, if no funds are appropriated, the local  
12 governing authority shall approve the increase.

13

14 Article \_\_\_\_, Section \_\_\_\_. Appropriation to local govern-  
15 mental units

16 Section 10. When the legislature has made an appro-  
17 priation of funds to a parish, municipality, or other unit  
18 of local government, then specific expenditure of such  
19 funds shall be determined by the governing authority of  
20 the local governmental unit subject to any categories of  
21 expenditures established by general law and by the act  
22 making the appropriation.

23

24 Reported favorably.

25

26 Source: New

27

28 Comment: This provision grants to local units of government  
29 control over specific expenditure of funds appropriated by  
30 the legislature, subject to any categories of expenditures  
31 established by general law and by the act making the appropriat-

32

33 Article \_\_\_\_, Section \_\_\_\_. Governing authorities of parishes  
34 and municipalities; controls over agencies they create

35

10

1 Section 11. A. In addition to any other powers granted  
2 by the legislature, the governing authority of a parish,

3 municipality, or other unit of local government shall  
4 have the following powers over any agency heretofore or  
5 hereafter created or established by it: (1) to remove  
6 those members of the governing body of the agency who have  
7 been appointed by the governing authority; (2) to exercise  
8 budgetary and fiscal control over the agency including the  
9 power to veto its operating budgets, in whole or in part;  
10 (3) to first approve the submission of proposals by the  
11 agency to levy taxes or issue bonds; (4) to substitute  
12 itself for the governing body of the agency and to  
13 exercise all of its powers and functions; and (5) to  
14 abolish the agency if the obligations or indebtedness of  
15 the agency are not thereby impaired.

16 B. If the creation or establishment of the agency  
17 required the concurrence of two or more such governing  
18 authorities, then concurrence of all of them shall be  
19 required for the exercise of the above powers, unless  
20 otherwise agreed upon by such governing authorities.

21  
22 Reported favorably.

23  
24 Source: La. Const. Art. XIV, §46 (1921).

25  
26 Comment: This section is a restatement of the principles set  
27 forth in the source provision. It further authorizes  
28 parishes and municipalities to remove members of the  
29 governing body of agencies created by them, and allows  
30 the parish or municipality to substitute itself for the  
31 governing board and to exercise all of its powers and  
32 functions.

33  
34 Article \_\_\_\_, Section \_\_\_\_. Assumption of debt.

35 Section 12. A. Any parish or municipality may assume

11

1 the debt of any district or public agency, except school  
2 districts, situated and having jurisdiction entirely  
3 within the boundaries of such parish or municipality  
4 and may merge or consolidate such district or agency into  
5 such parish or municipality and upon such debt assumption  
6 the parish or municipality, as the case may be, shall  
7 succeed to and be vested with all the rights, revenues,  
8 resources, jurisdiction, authority and powers of such  
9 district. The proposition for such action shall not  
10 take effect unless a majority in number of the qualified  
11 electors in such district and a majority in number of the  
12 qualified electors in the parish or municipality assuming  
13 the debt who vote in an election held for that purpose  
14 vote in favor of such proposition. The election shall be  
15 called, held and conducted in accordance with the general  
16 election laws of this state.

17 B. Where the agency which is abolished has any out-

18 standing indebtedness, the authority herein provided  
19 shall not be exercised unless provision is made for the  
20 assumption of such indebtedness by the governing authority  
21 or authorities of the parishes or municipalities involved.

22  
23 Reported favorably.

24  
25 Source: La. Const. Art. XIV, §14(k) (1921).

26  
27 Comment: The source provision authorizes any parish to assume  
28 the debt of certain enumerated special districts, provided  
29 that property taxpayer approval is secured at an election  
30 held for that purpose. The above section extends the  
31 source provision to authorize any parish or municipality  
32 to assume the indebtedness of any district or public agency,  
33 except school districts, lying entirely within its boundaries.  
34 The revised section changes the source provision in that  
35 qualified electors vote on the proposition.

12

1 Article \_\_\_\_, Section \_\_\_\_. Local officials

2 Section 13. The electors of each municipality and  
3 parish shall have the exclusive right to elect the members  
4 of their respective governing authorities at elections held  
5 in accordance with the state election laws. Such officials  
6 shall not be removed by the legislature. The salaries  
7 of such officials shall not be reduced during the terms  
8 for which they are elected.

9  
10 Reported favorably.

11  
12 Source: La. Const. Art. XIV, §40 (1921).

13  
14 Comment: This section is basically a restatement of the source  
15 provision. The source provision is broadened to include  
16 parish officials.

17  
18 Article \_\_\_\_, Section \_\_\_\_. Filling of vacancies; appointment

19 Section 14. A. Vacancies occasioned by death, resigna-  
20 tion, or otherwise, in the office of police juror, city  
21 council, parish or municipal governing authority, or  
22 special district thereof, mayor or chief executive of any  
23 local governing unit, city or parish school board, shall be  
24 filled by appointment by the legislative authority of the  
25 local governing unit, or by the city or parish school  
26 board, unless otherwise provided by the home rule charter  
27 or plan of government of the local governing unit. A tie  
28 vote by the legislative authority of the local governing  
29 unit or school board shall be broken by its presiding officer  
30 regardless of the fact that the presiding officer may  
31 already have voted as a member of the appointing body.

32 B. If, at the time a vacancy occurs in an elective

33 office for which appointment is provided in Section\_\_\_\_,  
34 the unexpired portion of the term of office is more than  
35 one year, a special election to fill the vacancy shall be

13

1 held, without the necessity of a call by the governor, not more  
2 than six months nor less than four months, after first receipt  
3 of notice of the vacancy by the secretary of state, to be given  
4 as hereinafter provided, in the parish, municipality or special  
5 district thereof in which the vacancy occurred, and in such  
6 case the appointment provided for in Section\_\_\_\_ shall be effec-  
7 tive only until a successor is duly elected and qualified.

8 C. Upon being informed of the occurrence of a vacancy in  
9 any of the offices specified in Section\_\_\_\_, the clerk of the  
10 district court in the parish where the vacancy occurred, and in  
11 the parish of Orleans the clerk of the Criminal District Court,  
12 shall, within twenty-four hours after being thus informed, noti-  
13 fy the secretary of state in writing by registered or certified  
14 mail of the occurrence of the vacancy. Upon receipt of such no-  
15 tice, the secretary of state shall, within twenty-four hours  
16 after such receipt, notify in writing by registered or certified  
17 mail all election officials, including party committees and  
18 boards of supervisors of elections, having any duty to perform  
19 in connection with a special election to fill such vacancy.

20 D. Nothing in this section shall be construed as changing  
21 the qualifications for the various offices involved and all  
22 appointments must be of persons who would otherwise be eligible  
23 to hold offices to which appointed.

24 E. The provisions of this section shall apply to all  
25 parishes and municipalities unless otherwise provided by the  
26 charter or plan of government of the local governing unit  
27 adopted in conformity with this constitution.

28  
29 Reported favorably.

30  
31 Source: La. Const. Art. VII, §69 (1921).

32  
33 Comment: (a) This provision authorizes the legislative  
34 authority of the local governing unit wherein the vacancy  
35 occurs, rather than the governor, to fill vacancies.

14

1 Deleted from the source provision are the elected offices  
2 of district judge and district attorney.

3 (b) Other provisions in this section restate the source  
4 provision and make no change in the law.

5  
6 Article\_\_\_\_, Section\_\_\_\_. Acquisition of property  
7 Section 15. Subject to such restrictions as the  
8 legislature may provide by general law, political sub-

9 divisions may acquire property for any public purpose,  
10 including, but not limited to purchase, donation,  
11 expropriation, or exchange.

12  
13 Reported favorably.

14  
15 Source: La. Const. Art XIV, §14 (1921).

16  
17 Comment: The source provision authorizes certain enumerated  
18 political subdivisions to acquire property. The revised  
19 section authorizes all political subdivisions to acquire  
20 property, subject to restrictions imposed by general law.

21  
22 Article\_\_\_\_, Section\_\_\_\_. Servitudes of way; acquisition  
23 by prescription

24 Section 16. The public, represented by the various  
25 parishes and municipalities, may acquire servitudes of way  
26 by prescription in the manner prescribed by law.

27  
28 Reported favorably.

29  
30 Source: La. Const. Art. XIV, §16 (1921).

31  
32 Comment: This section restates the source provision, which  
33 applies to parishes, and broadens it to include  
34 municipalities.

15

1 Article\_\_\_\_, Section\_\_\_\_. Prescription against state and  
2 political subdivisions

3 Section 17. Prescription shall not run against the  
4 state, any parish, municipality, or other political sub-  
5 division thereof in any civil matter, unless otherwise  
6 provided in this constitution or expressly by general law.

7  
8 Reported favorably.

9  
10 Source: La. Const. Art. XIX, §16 (1921).

11  
12 Comment: Under the source provision prescription shall not  
13 run against the state. The revised section broadene  
14 this to include parishes, municipalities, or political  
15 subdivisions thereof.

16  
17 Article\_\_\_\_, Section\_\_\_\_. Zoning

18 Section 18. Municipalities and parishes are authorized  
19 to enact zoning ordinances and to create and classify  
20 therein residential, commercial, industrial, and other  
21 districts, and to preserve the character of buildings,  
22 monuments, structures, and areas of historical importance.  
23 Municipalities and parishes are authorized to create  
24 airport zones and regulate the heights of buildings,

25 structures and objects of natural growth in areas  
26 surrounding airports.  
27  
28 Reported favorably. Mery Zervigon expressed the view that  
29 authority granted in this section is not sufficient to  
30 enable the Vieux Carre Commission to effectively perform  
31 its functions.

32  
33 Source: La. Const. Art. XIV, §29 (1921).

34  
35 Comment: The source provision grants zoning authority to

16

1 municipalities generally, and to certain named parishes.  
2 The revision extends the general authorization to all  
3 parishes.

4  
5 Article \_\_\_\_, Section \_\_\_\_. Industrial areas

6 Section 19. The legislature may authorize parishes  
7 to create industrial areas within their boundaries in  
8 accordance with such procedures and subject to such  
9 regulations as the legislature shall determine. Parish  
10 industrial areas shall not be subdivisions of the state.

11  
12 Reported favorably.

13  
14 Source: La. Const. Art. XIV, §29.1 (1921).

15  
16 Comment: The source provision authorizes the legislature  
17 to permit parishes to create industrial areas within  
18 their boundaries. It also includes certain requirements  
19 which must be met in the establishment of industrial  
20 areas. The above revised provision continues the  
21 legislative authority to permit the creation of industrial  
22 areas, but leaves all of the procedures and regulations  
23 to the discretion of the legislature.

24  
25 Article \_\_\_\_, Section \_\_\_\_. Assistance to local industry  
26 by political subdivisions

27 Section 20. A. Subject to such restrictions as it  
28 may impose, the legislature may authorize any political  
29 subdivision, in order (i) to induce and encourage the loca-  
30 tion of or addition to industrial enterprises therein, or  
31 (ii) to provide funds for the establishment and furnishing  
32 of industrial plants for the conversion or processing  
33 of raw form of agricultural products, or (iii) to provide  
34 property, movable, immovable, or both, for pollution  
35 control facilities, to issue bonds and use the funds

17

1 derived from the sale thereof to acquire and improve  
2 industrial plant sites and other property necessary

3 to the purposes thereof, and to acquire, through pur-  
4 chase, construction, or otherwise, and to improve, indus-  
5 trial plant buildings and industrial plant equipment,  
6 machinery furnishing, and appurtenances, and to sell,  
7 lease, or otherwise dispose of all or any part of the  
8 foregoing.

9 B. It is hereby found and declared that the purposes  
10 designed to be accomplished herein are public and proper  
11 legal purposes and will be of public benefit to the  
12 political subdivision issuing the bonds.

13  
14 Reported favorably.

15  
16 Source: La. Const. Art. XIV, §14 (1921).

17  
18 Comment: (a) The source provision provides detailed  
19 procedures for the issuance of bonds by political subdivi-  
20 sions to induce, encourage, and aid the location of industry  
21 therein. Paragraph A of the revised section adopts the  
22 principle that the legislature may authorize such bonds,  
23 and the detailed procedures for the issuance of the bonds  
24 are omitted from the constitution and should be placed in  
25 the statutes.

26 (b) The second paragraph of the revised section, as  
27 does the source provision, defines such bonds to be for  
28 public and proper legal purposes.

29  
30 Article \_\_\_\_, Section \_\_\_\_. Recall

31 Section 21. The legislature shall, by general law,  
32 provide for the recall of state, district, parish,  
33 municipal, or ward officers, except judges of the courts of  
34 record, and except wherein otherwise provided by this  
35 constitution; provided, the sole issue tendered at any

18

1 recall election shall be whether such officers shall  
2 be recalled.

3  
4 Reported favorably.

5  
6 Source: La. Const. Art. IX, §9 (1921).

7  
8 Comment: This section is taken from the source provision,  
9 and makes no changes in the law.

10  
11 Article \_\_\_\_, Section \_\_\_\_. Intergovernmental cooperation

12 Section 22. Any parish, municipality, or other  
13 local governmental unit authorized by law to perform  
14 general governmental functions may exercise any of its  
15 powers or perform any of its functions, including  
16 financing the same, jointly or in cooperation with any  
17 other governmental entities, either within or without the

18 state, except as the legislature shall provide otherwise 33  
19 by law. 34  
20 35  
21 Reported favorably.

22  
23 Source: South Dakota Const. Art. IX, §3, (1889).

24  
25 Comment: Provides for intergovernmental cooperation between  
26 parishes and municipalities and between these political  
27 subdivisions and the state and federal government.

28  
29 Article\_\_\_\_, Section\_\_\_\_. Terms defined

30 Section 23. The term "municipality" as used in this  
31 constitution refers to incorporated cities, towns, and  
32 villages.

33 The term "political subdivision" as used in this  
34 constitution refers to parishes, municipalities, special  
35 districts, and any other geographical subdivision of government.

19

1 The term "governing authority" as used in this article  
2 means the body which exercises the legislative functions  
3 of the parish or municipality.

4 The term "general law" as used in this article refers  
5 to a law of statewide concern which is uniformly applicable  
6 to every political subdivision in the entire state or which  
7 is uniformly applicable to every member of a class of  
8 political subdivisions established in accordance with the  
9 classification provisions of Section\_\_\_\_of this Article.

10 The term "special law" means any law other than a  
11 general law.

12  
13 Reported favorably.

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#### MINUTES

Minutes of the Subcommittee on General Provisions  
and the Subcommittee on Finance of the Committee on  
Local and Parochial Government of the Constitutional  
Convention of 1973

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

Education Building, Room 510

Baton Rouge, Louisiana

Tuesday, May 15, 1973, 9:00 a.m.

Presiding: I. Jackson Burson, Chairman of the Subcommittee  
on General Provisions

Present: I. Jackson Burson Absent: Ethan J. Chatelain  
R. Gordon Kean Edward D'Gerolamo  
Walter Lanier, Jr.  
Mary Zervigon  
Joseph Toomy

Chairman Burson called the meeting to order, and opened  
discussion on the proposal relative to classification pre-  
pared by the staff. After discussion, it was decided to  
report the section on classification to the full committee,  
as amended.

Several changes were made in the language of various  
sections of the provisions previously prepared by the  
subcommittee. Chairman Burson suggested that the members  
submit any additional changes they might have to the Research  
Staff for handling.

The staff was requested to define the term "chief  
executive officer", and also to prepare several additions  
to CC/RS-190. A copy of these additions is attached  
hereto and made a part of these minutes.

It was decided that Joseph Toomy, chairman of the  
Subcommittee on Finance, become a member of the Subcommittee  
on General Provisions. After discussion, the subcommittee  
decided to have a joint meeting of the Subcommittees on  
General Provisions and Finance at 2:00 p.m. Friday, May 25,  
1973, and 9:00 a.m., Saturday, May 26, 1973. This meeting  
will be held in the Board Room of the Baton Rouge Savings  
and Loan Building.

Chairman Burson adjourned the Subcommittee on General  
Provisions.

Presiding: Joseph Toomy, Chairman, Subcommittee on Finance

There was considerable discussion by the members con-  
cerning the authority of parishes and municipalities to in-  
crease taxes and their limitations thereon. The staff was  
directed to draft proposals concerning these matters.

Mr. Perez presented a proposal relative to the method

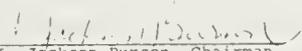
by which special elections would be held. These proposals and other matters being considered by this subcommittee are included in the attached CC/RS-199.

Mr. Pat Koloski, representing Mayor Moon Landrieu's office, was introduced and distributed copies of his recommendations to the members. A copy of these recommendations is attached hereto and made a part of these minutes.

2

There was considerable discussion concerning these recommendations.

Chairman Toomy adjourned the meeting at 4:00 p.m.

  
I. Jackson Burson, Chairman  
Subcommittee on General Provisions

  
Joseph Toomy, Chairman  
Subcommittee on Finance

3

20

Addition to CC/RS-190

1 Amendment to Section 23.

2 The term "chief executive officer" as used in  
3 this article refers to the mayor, or any other popularly  
4 elected chief executive (officer) of any local govern-  
5 mental unit.

6  
7 Article \_\_\_\_, Section \_\_\_\_. Supremacy of Constitution and  
8 General Laws

9 Section 25 . The provisions of this constitution and  
10 of any general laws passed by the legislature shall be  
11 paramount and no municipality shall exercise any power or  
12 authority which is inconsistent or in conflict therewith.

13  
14 Source: La. Const. Art. XIV, §40 (1921).

15  
16 Comment: This section is taken verbatim from the source  
17 provision.

18  
19 Article \_\_\_\_, Section \_\_\_\_. Classification

20 Section 26. Except as provided in Section \_\_\_\_, the  
21 legislature may classify municipalities or parishes  
22 according to population or on any other reasonable  
23 basis related to the purpose of this classification, and  
24 legislation may be limited in its effect to any of such  
25 class or classes; but, no statute which is applicable to

26 fewer than six municipalities or parishes shall become  
27 operative in any such municipality or parish until sub-  
28 mitted to and approved by a majority of the qualified  
29 electors of that municipality or parish voting in an  
30 election held for that purpose.

31  
32 Source: La. Const. Art. XIV, §22 (1921).

33  
34 Comment: Under the source provision, legislation applicable  
35 to fewer than the five largest cities of the state shall

21

1 not become operative in the city of New Orleans until  
2 approved by a majority of the qualified electors of the  
3 city of New Orleans voting at an election. The revision  
4 provides that if a law is applicable to fewer than six  
5 municipalities or parishes, the law becomes operative in  
6 a municipality or parish to which it applies only if  
7 approved by the voters of that municipality or parish.  
8 Thus, the law becomes operative in a municipality where  
9 it is approved, even if it does not become operative in  
10 others because the voters disapprove or no election is  
11 held. The exception of Section \_\_\_\_, deals with municipal  
12 taxation; under that section the legislature is authorized  
13 to make exceptions for individual municipalities from  
14 general laws pertaining to taxation.

22

Addition to CC/RS-190

1 Amendment to Section 23.

2 The term "political subdivision" as used in this

3 constitution refers to parishes, municipalities, and  
4 any other unit of local government authorized by law  
5 to perform general governmental functions.  
6 The term "parish" as used in this constitution refers  
7 to the largest civil division of local government within  
8 the state.

29 Article \_\_\_\_, Section \_\_\_\_ . Municipal Tax; Limitation;  
30 Increase  
31 Section 2. Municipalities shall have the authority  
32 to levy ad valorem taxes for general operating purposes,  
33 not to exceed in any one year, seven mills on the dollar  
34 of assessed valuation; provided that where any municipality  
35 is, by its charter or by law, exempt from payment of parish

1 taxes or, under legislative authority, maintains its own  
2 public schools, it may levy an annual tax not to exceed  
3 ten mills of the dollar of assessed valuation. This  
4 millage rate may be increased in a municipality when  
5 approved by a majority of the qualified electors of said  
6 municipality voting in an election held for any other  
7 purpose. Nothing herein shall be construed to affect  
8 any special millages legally in force at the time of  
9 the adoption of this constitution.

11 Source: La. Const. Art. XIV, §12 (1921).

13 Comment: (a) The source provision places a general limitation  
14 of 7 mills on municipal property taxes, and provides that  
15 any municipality maintaining its own school system ( Bogalusa  
16 and Monroe) may levy up to 10 mills. Other special millages  
17 are provided in the source provision.

18 (b) The revision authorizes an increase in the general  
19 alimony tax subject to voter approval, and ratifies property  
20 tax levies in effect at the time of adoption of this  
21 constitution.

23 Article \_\_\_\_, Section \_\_\_\_ . Bonds of Political Subdivisions;  
24 General Obligations

25 Section 3. The full faith and credit of every political  
26 subdivision are hereby pledged to the payment of principal  
27 of and interest on all bonds issued by it that are payable  
28 from taxes levied without limitations as to rate or amount  
29 under the terms of the statute or proceedings pursuant to  
30 which they are issued. The governing authority of the  
31 issuing political subdivision shall levy and collect or  
32 cause to be levied and collected on all taxable property  
33 in the political subdivision ad valorem taxes fully  
34 sufficient to pay principal and interest on such bonds as  
35 they mature.

2 Source: La. Const. Art. XIV, §14 (1921).

4 Comment: (a) In some cases, the source provision sets

CC/RS-199

1 Constitutional Convention of Louisiana of 1973  
2 SUBCOMMITTEE PROPOSAL NUMBER  
3 Introduced by Delegates Toomy, Burson, Chatelain, Kean,  
4 Lanier, Perez, and Zervigon

5 A PROPOSAL

6 Article \_\_\_\_, Section \_\_\_\_ . Parish Tax; Limitation; Increase

7 Section 1. Parishes shall have the authority to levy  
8 ad valorem taxes for general operating purposes, not to  
9 exceed in any one year, four mills on the dollar of assessed  
10 valuation; except that in Jackson Parish the limitation  
11 shall be five mills. These millage rates may be increased  
12 in a parish when approved by a majority of the qualified  
13 electors of said parish voting in an election held for any  
14 other purpose. Nothing herein shall be construed to affect  
15 any special millages legally in force at the time of the  
16 adoption of this constitution.

18 Source: La. Const. Art. XIV, §11 (1921).

20 Comment: (a) The source provision places a general limitation  
21 of 4 mills on parish property taxes (Jackson Parish is  
22 limited to five mills). It also empowers the legislature  
23 to authorize the levy of a one-mill tax for parish fairs.

24 (b) The revision authorizes an increase in the general  
25 alimony tax subject to voter approval, and ratifies property  
26 tax levies in effect at the time of adoption of this  
27 constitution.

5 forth requirements for named political subdivisions to  
6 insure that sufficient sums will be collected to pay their  
7 bonded indebtedness. In other instances, no such require-  
8 ments are enumerated.

9 (b) This section sets forth uniform requirements upon  
10 political subdivisions to insure repayment of their bonds.

11  
12 Article \_\_\_\_, Section \_\_\_\_\_. Taxpayer Authorization of Ad  
13 Valorem Tax Bonds of Political Subdivisions

14 Section 4. Bonds payable from ad valorem taxes levied  
15 without limitation as to rate or amount may be issued  
16 only after authorization by a vote of a majority in number  
17 of the qualified electors in the political subdivision  
18 issuing such bonds, voting on the proposition at a general  
19 or special election held therefor. Funding and refunding  
20 bonds, even though payable solely from ad valorem taxes,  
21 need not be so authorized at an election if the indebted-  
22 ness funded or refunded is paid or cancelled at the time of  
23 the delivery of the funding or refunding bonds, or if money,  
24 or securities made eligible for such purpose by law, are  
25 deposited in escrow in an adequate amount, with interest,  
26 to be utilized solely for the purpose of retiring the funded  
27 or refunded indebtedness or bonds and paying interest thereon  
28 and redemption premiums, if any, to the time of retirement.

29  
30 Source: La. Const. Art. XIV, §14 (1921).

31  
32 Comment: (a) The source provision contains authority for  
33 certain enumerated political subdivisions to incur debt  
34 and issue bonds, with the requirement that such bonds may  
35 be issued only after authorization by a vote of the majority

4

1 in number and amount of the property taxpayers qualified  
2 to vote voting on the proposition at an election held  
3 therefor. The above section extends this requirement to  
4 all bonds issued by political subdivisions payable from  
5 ad valorem taxes without limitation as to rate or amount  
6 and eliminates the taxpayer requirement for voting in bond  
7 elections.

8 (b) The source provision authorizes certain specified  
9 political subdivisions to issue funding and refunding  
10 bonds. The above section extends such authority to all  
11 political subdivisions and specifically provides that no  
12 election is needed to issue such bonds, if at the time of  
13 delivery of the bonds the indebtedness funded or refunded  
14 is paid or cancelled or sufficient money or security is  
15 deposited in escrow.

16  
17 Article \_\_\_\_, Section \_\_\_\_\_. Limitations on Bonded Indebtedness  
18 of Political Subdivisions

19 Section 5. A. Bonds which are payable wholly or in

20 part from ad valorem taxes levied without limitations as  
21 to rate or amount may be issued by any political subdivision  
22 for any one purpose which, including the existing bonds of  
23 such political subdivision incurred for the same purpose  
24 and payable solely from ad valorem taxes levied without  
25 limitation as to rate or amount, shall not exceed in the  
26 aggregate ten percent of the assessed valuation of taxable  
27 property in the political subdivision, to be ascertained  
28 by the assessment for state and parish purposes last com-  
29 pleted prior to the delivery of such bonds, except that as  
30 to both parishwide school districts and other school  
31 districts, the limitation applicable to each district shall  
32 be twenty-five percent of the assessed valuation of the taxable  
33 property.

34 B. Any municipality that finances and operates its  
35 own schools and is not located within a parishwide or other

5

1 school district shall be regarded as and treated on the  
2 same basis for the purpose of debt limitation and shall  
3 have the same authority for all purposes of this as though  
4 it were such a school district.

5 C. The legislature may increase the debt limitations  
6 established in this section by general or special law passed  
7 by a two-thirds vote of the elected membership of each house.

8 D. Bonds of drainage districts payable from acreage  
9 taxes and refunding bonds shall not be considered to be  
10 bonds payable solely from ad valorem taxes for all purposes  
11 of this section.

12  
13 Source: La. Const. Art. XIV, §14 (1921).

14  
15 Comment: (a) The source provision provides that the political  
16 subdivisions enumerated therein shall not incur debt and  
17 issue bonds which, including the existing bonded debt for  
18 such subdivision for such purpose, shall exceed in the  
19 aggregate ten per centum of the assessed valuation of the  
20 taxable property of such subdivision. The limitation is  
21 continued in this revised section, but it is made applicable  
22 to all political subdivisions.

23 (b) The source provision provides that the municipality  
24 of Monroe shall be treated the same as a parishwide school  
25 district or special school district. This revised section  
26 extends this treatment to any municipality that finances  
27 and operates its own schools, without specifically mention-  
28 ing the municipality of Monroe.

29 (c) The source provision increases the limitation for  
30 parishwide school districts and special school districts  
31 to twenty-five percent for specifically enumerated pur-  
32 poses. This revised section increases the limitation for  
33 such school districts for all purposes.

34 (d) This revised section retains the exception from the

35 above limits of bonds issued and secured by acreage taxes,  
36 and refunding bonds.

6

1  
2 Article \_\_\_\_, Section \_\_\_\_. Limited Time for Contesting  
3 Bonds of Political Subdivisions

4 Section 6. A. For a period of sixty days from the  
5 promulgation of the result of any election held for the  
6 purpose of incurring debt, issuing bonds, or levying a  
7 special tax, any person in interest shall have the right  
8 to contest the legality of such election, the bond issue  
9 provided for, or the tax authorized, for any cause;  
10 after which time no one shall have any cause or right of  
11 action to contest the regularity, formality, or legality of  
12 said election, tax provisions, or bond authorization, for  
13 any cause whatsoever. If the validity of any election,  
14 special tax, or bond issue authorized or provided for, held  
15 under the provisions of this section, is not raised within  
16 the sixty days herein prescribed, the authority to issue  
17 the bonds, the legality thereof, and the taxes necessary  
18 to pay the same shall be conclusively presumed to be valid,  
19 and no court shall have authority to inquire into such  
20 matters.

21 B. Every ordinance or resolution authorizing the is-  
22 suance of bonds by a political subdivision shall be pub-  
23 lished once in a newspaper published in the political sub-  
24 division, or if there is none, then in a newspaper having  
25 general circulation therein. For a period of thirty days  
26 from the date of the publication any person in interest  
27 may contest the legality of the ordinance or resolution,  
28 the bonds authorized thereby, and of any provision therein  
29 made for the security and payment of the bonds. After this  
30 time, no one shall have any cause of action to test the  
31 regularity, formality, legality, or effectiveness of the  
32 ordinance or resolution, bonds, and provisions for any  
33 cause whatever; and after this time it shall be conclusively  
34 presumed that every legal requirement for the issuance of  
35 the bonds, including all things pertaining to the election,

7

1 if any, at which the bonds were authorized, has been complied  
2 with, and no court shall have authority to inquire into any  
3 such matters after the lapse of this thirty days.

4  
5 Source: La. Const. Art. XIV, §14 (1921).

6  
7 Comment: (a) The first paragraph of this section makes no  
8 change in the law.

9 (b) The source provision sets forth requirements  
10 similar to those in the second paragraph of the revision  
11 section for specified types of bond issues. This revised  
12 section extends the requirements to all types of bond  
13 issues.

14 (c) New Orleans is specifically excepted from this  
15 section.

16  
17 Article \_\_\_\_, Section \_\_\_\_. Local Improvement Assessments

18 Section 7. A. The legislature shall provide by special  
19 or general law the procedures by which political subdivisions  
20 levy and collect local or special assessments on real property,  
21 for the purpose of constructing or improving works of public  
22 improvement, including, but not limited to, paving, surfacing,  
23 or otherwise improving roads, streets, sidewalks, alleys,  
24 or sewers.

25 B. Certificates of indebtedness may be issued to cover  
26 the cost of the public improvement which shall be secured  
27 by the pledge of the local or special assessments levied  
28 therefor, and may be further secured by the pledge of the  
29 full faith and credit of the political subdivision to the  
30 payment of the certificates of indebtedness.

31 C. The governing authority of the political subdivision  
32 that has issued certificates of indebtedness payable from  
33 sources other than ad valorem taxes, and has pledged its  
34 full faith and credit for the prompt payment of the  
35 principal and interest thereof, shall levy or cause to be

8

1 levied on all taxable property in the political sub-  
2 division ad valorem taxes, without limitation as to rate  
3 or amount, fully sufficient to make up any deficit in the  
4 other sources of revenue pledged to the payment of the  
5 certificates in principal and interest.

6  
7 Source: La. Const. Art X, §13; Art. XIV, §14 (1921).

8  
9 Comment: (a) Paragraphs (A) and (B) above are a restatement  
10 of present Const. Art. X, §13, and make no change in the  
11 law. The provisions of this section are adopted from the  
12 present Article X and placed in the revised Article XIV  
13 because this type of indebtedness is an integral part of  
14 local improvement financing.

15 (b) Paragraph (C) above sets forth uniform require-  
16 ments upon political subdivisions to insure repayment of  
17 certificates of indebtedness. In some instances, the source  
18 provision, Const. Art. XIV, §14, sets forth requirements  
19 for named political subdivisions to insure that sufficient  
20 sums will be collected to pay indebtednesses; in other substances



CITY OF NEW ORLEANS  
OFFICE OF THE MAYOR

MOON LANDRIEU  
MAYOR

May 10, 1973

RECOMMENDATIONS TO THE COMMITTEE ON  
FINANCE, REVENUE AND TAXATION AND THE  
FINANCE SUB-COMMITTEE OF THE LOCAL AND  
PAROCHIAL GOVERNMENT COMMITTEE.

I wish to take this opportunity to express the City's views on those constitutional provisions of a fiscal nature that have some affect on the City of New Orleans.

It is our thinking that the power to tax, the power to allocate resources and the capacity to designate local priorities are the essence of Home Rule. Without these tools, cities can only live from dollar to dollar and from day to day. We become subjected to hesitant priority-making because we cannot determine what revenues we can rely on.

It has come to a situation where we must depend heavily upon the Legislature or state-wide ratification of Constitutional amendments for approval to raise taxes or levy appropriate millage to enact and fund our programs, and to sustain our present day-to-day services. We feel the citizens of the City should be able to make that determination for themselves.

We are, of course, cognizant of government's responsibilities in its power to tax.

Taxes should be fair.  
They should be equitable.  
They should be reasonable.  
And they should be flexible.

But most of all, the capacity to raise our revenues, and allocate them to meet our priorities, should exist. We should be allowed to increase our revenues to fund local services if local citizens approve.

*"An Equal Opportunity Employer"*

Page Two.

Most of these remarks are certainly elementary, but they should guide our thinking when we approach gut issues such as taxes and finances.

Also elementary, is my request that the Constitutional Convention maintain a bias, if you will, in sticking with essentials and basic principles of law when writing a new constitution. A good, basic document of law will eschew the specifics, such as: dedication of millage, formulas for taxes or revenue distribution and classification of taxes. It should accentuate that which is basic, and that which is common to all parishes and cities. Details should be relegated to the statutes or to the respective local governing authority.

It is with these thoughts that I submit to you the attached recommendations regarding the sections of a fiscal nature.

Sincerely,

*Moon Landrieu*  
Moon Landrieu

ML/rbg  
Attach.

RECOMMENDATION 1.

We recommend that the present uniformity provision in the first paragraph of Article 10, Section 1, which provides that all taxes be uniform upon the same class of subjects throughout the territorial limits of the authority levying the tax, be retained. We think that this paragraph as it stands authorizes reasonable classifications of property, differential assessment and taxation. A strict uniformity clause which would not permit classifications would, in our opinion, cause great havoc in our present tax structure. This is especially true, because of the recent court decision on the Bussie case.

Reference: Article X., Sec. 1, para. 1.  
"Taxing Power; Specific Taxes".

RECOMMENDATION 2.

We recommend that if it is necessary and appropriate to retain the present specific listing of taxes within the constitution that:

1. Whenever possible all mention of rates, limits, and formulas of distribution be taken out of the constitution and relegated to the authority of the legislature.
2. That the specifications of the objects and subjects of taxation in the constitution shall not deprive the legislature of the power to require other subjects or objects to be taxed, in such manner as may be consistent with the provisions of taxation fixed in the constitution. For example, the present specifications of income, severance, license, bank, and inheritance taxes should not limit the legislature's right to authorize the local and state taxation of things such as wealth, value added, property and stock transfers, etc.

Reference: Art. X., Sec. 1. "Taxing Power; Specific Taxes"  
 Art. X., Sec. 7 "Inheritance and Donation Taxes Exemptions"  
 Art. X., Sec. 8. "License Taxes; Restrictions".  
 Art. X., Sec. 9. "Banks; Domicile out of State; International or Foreign Banking Tax".

RECOMMENDATION 3.

We recommend that the specific listing of tax exemptions be limited only to public property; and real and personal property owned by a non-profit corporation or association

and used exclusively for religious, educational, charitable, or cemetery purposes. We also recommend, that the legislature be permitted to grant additional exemptions from taxation only by general law and that authorization to alter or repeal such exemptions be provided.

In the City of New Orleans, approximately 38 percent of all property is tax exempt. This property falls within the broad tax exempt categories as provided in Article 10, Section 4. Although many of the tax exempt properties certainly deserve a tax-exempt status, there are many others of a tax-exempt status which are questionable.

Reference: Article X., Sec. 4. "Tax Exemptions".

RECOMMENDATION 4.

We recommend that Article 10, Sections 5, 6, 10, and 13, and Article 14, Section 14, be incorporated into a general home rule provision which would allow local governing authorities to levy and collect whatever taxes are needed provided that local approval is obtained.

This power to tax should, of course, be limited by those general protections contained in the constitution or in the statutes that the legislature might apply to all political subdivisions of the state.

Reference: Art. X., Sec. 5., "Parochial and Municipal Corporations; Public Boards; Taxing Power; Limitations."  
 Art. X., Sec. 6., "Local, Municipal and District Taxes; assessment; collection"  
 Art. X, Sec., 10., "Political Subdivisions, special local taxes; purposes; limitations."  
 Art. X., Sec., 13., "Local Improvement Asssments".  
 Art. XIV., Sec. 14., "Subdivision of State; creation indebtedness; bond issues; special taxes."

RECOMMENDATION 5.

We recommend that Article 10, Section 11, entitled "Collection of Taxes, Tax Sales; Quieting Tax Titles; Post-Ponement of Taxes; Loans to Parishes," either be taken out of the constitution and placed in the statutes, or be amended to read: "There shall be no forfeiture of property for non-payment of taxes. The legislature shall provide adequate procedures for the collection of all taxes and for the redemption within a fixed delay from any sale of property for unpaid taxes." (Project of a Constitution for the State of Louisiana, Vol. 3, p. 200).

We think that there are serious deficiencies in the present tax sale procedure. While we have no specific recommendations at this time as to how to remedy this deficiency, this may be forthcoming in the future. If this provision were not in the constitution, it would make it much easier for us to amend the deficiencies, and update the procedures as the need arises.

Reference: Art. X., Sec. 11., "Collection of Taxes; Tax Sales; quieting tax titles; post-ponement of Taxe; loans to parishes."

#### RECOMMENDATION 6.

Article X, Section 10 (B) entitled, "Revenue Sharing Fund" provides a sum of at least Eighty Million Dollars (\$80,000,000) to be distributed among the State's political subdivisions, government agencies and districts.

We think that the retention of this section might encumber the flexibility of the State in developing a more comprehensive form of State Revenue Sharing. Therefore, we recommend that it be deleted from the Constitution.

Reference: Article X, Section 10 (B) "Revenue Sharing Fund".

#### RECOMMENDATION 7.

We recommend that Article 4, Section 18, be taken out of the constitution. The authorization for the state and its political subdivisions to grant just and fair relocation payments and assistance might be provided in Article 1, Section 2 "Due Process: expropriation of private property for public purposes; for just compensation." This Article should be expanded to include the authorization for the granting of relocation payments and assistance, as well as for the compensation of expropriated property.

Reference: Article IV, Section 18 "Legislation to enable compliance with federal laws and regulations to secure federal aid in capital improvement projects."

#### RECOMMENDATION 8.

We recommend that all dedication of millage contained in the constitution be deleted. We feel that the power to raise

taxes and millage should be incorporated into a general home rule provision permitting political subdivisions to exercise this authority. We must also request, that if these millage provisions are deleted from the constitution, that some assurance is made which will at least preserve the existing millages of municipalities and other political subdivisions presently levied by them.

#### References:

Art. XIV., Sec. 24 "New Orleans: Board of Liquidation of City Debt; bond issues for public improvements".  
Art. XIV., Sec. 25 "New Orleans: special tax for fire and police departments."  
Art. XIV., Secs. 23.31 - 23.43 "New Orleans: drainage system; special tax; investments, disbursements."  
Art. XIV., Sec. 23.1 "New Orleans: sewerage, water and drainage system; special tax; disbursements."  
Art. X., Sec. 10 "Political subdivisions; special local taxes; purposes; limitations."

#### RECOMMENDATION 9.

Article IV., Section 12, expressly prohibits the State and any political corporations from lending, pledging or granting to any "person or persons, associations or corporations, public or private", the "funds, credit, property or things of value" of the State or the political corporation.

We think that this is a good law in that it safeguards public funds and the public wealth from improper misappropriation.

However, the wording of this section could be interpreted in a very narrow sense to prohibit any inter-cooperation between the public and private sectors of society. Such an interpretation could be most harmful for the public.

We recommend that Article IV., Section 12, be amended so as not to prohibit political corporations from joint-ventures or exchange of property with non-governmental entities and where the benefits to be gained are clearly in favor of the public. Furthermore, we would also suggest that such ventures or exchanges be required to attain local and legislative approval.

Reference: Article IV, Sec. 12. "Loan or pledge of public credit; relief of destitute; donations; transfers of property; bonds; leasing of health institutions; donation to United States for Veterans Hospital".

#### RECOMMENDATION 10.

Article 10, Section 22, makes possible the exemption from local taxes of new industries.

We recommend that this section be amended to allow the Legislature to specify the length of time, the classification and the nature of the exemption.

Any formulas, rates, qualifications and procedures relative to exemptions for industries should also be determined by the Legislature.

Reference: Art. X., Sec. 22., "New Industries: exemption from municipal and parochial taxation."

#### MINUTES

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

Held pursuant to notice mailed by the Secretary of the Convention on May 17, 1973

Baton Rouge Savings and Loan Building

Baton Rouge, Louisiana

Friday, May 25, 1973, 2:00 p.m.

Saturday, May 26, 1973, 10:00 a.m.

Presiding: Joseph Toomy, vice chairman of the Subcommittee  
Drafting General Provisions

Present: Joseph Toomy                      Absent: I. Jackson Burson  
          Walter Lanier, Jr.                      Edward D'Gerolamo  
          R. Gordon Kean  
          Mary Zervigon  
          Chalin Perez

The subcommittee discussed proposal CC/RS-199. Mr. Perez submitted a substitute provision relative to special elections held at the local level in lieu of Section 9. It was decided that action on Sections 1 and 2 be deferred until the research staff submitted revisions. The staff was directed to check other general alimony and special taxes provided for in the constitution.

Mr. Perez suggested that the following provision be inserted in Section 1:

"All taxes authorized in the 1921 Constitution and not included herein shall continue in effect until amended or repealed by the legislature."

The subcommittee noted that the other sections had already been discussed. Several corrections were made in proposal CC/RS-199.

Proposal CC/RS-463 relative to the creation of special districts was discussed by the subcommittee. After discussion, Mr. Kean offered the motion to defer action on the proposal, and asked the staff to check Section 7 and submit additional language. The motion was approved.

The research staff was directed to secure copies of Senate Bill Numbers 72 and 73 providing for changes in homestead exemptions.

A minority report and suggested changes in language were submitted and filed by Mr. Lanier. Copies are attached hereto and made a part of these minutes.

Mr. Kean suggested that Section 8 of CC/RS-199 be combined with Section 20 of the General Provision draft.

The subcommittee recessed at 5:00 p.m.

Saturday, May 26, 1973

Presiding: I. Jackson Burson, Chairman of the Subcommittee  
Drafting General Provisions.

Present: I. Jackson Burson                      Absent: Edward D'Gerolamo  
          R. Gordon Kean  
          Walter Lanier, Jr.  
          Joseph Toomy  
          Mary Zervigon  
          Chalin Perez  
          Ethan Chatelain

Chairman Burson called the meeting to order, and opened general discussion on millage for parochial operating purposes.

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Discussion ensued relative to providing for the office of coroner, Article VII, Sections 70, 71, and 72 of the 1921 Constitution. Mr. Kean moved to let the Judiciary Committee have jurisdiction concerning this matter, and the motion was approved.

Discussion then turned to Article VII, Section 69 relative to the filling of vacancies at the local level. Mr. Perez asked why should the governor appoint persons to fill all these vacancies. It was decided to insert the following offices in the proposal relative to the filling of vacancies; sheriff, clerk of district court, assessor, and coroner.

The chairman opened discussion relative to Article IV, Section 4, special laws. Since the Coordinating Committee has recommended that the Committee on Local and Parochial Government and the Committee on Legislative Powers and Functions coordinate on this provision, it was decided to defer action pending the proposal by the Committee on Legislative Powers and Functions.

Chairman Burson requested the research staff to prepare a schedule on provisions deemed obsolete and provisions to be placed in the statutes.

Mr. Kean then offered a motion that the provision relative to municipal ice factories be deemed obsolete. No action was taken on the motion.

It was decided that the subcommittee would meet Friday, June 1, 1973, at 8:00 a.m. prior to the meeting of the full committee.

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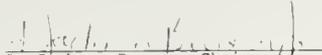
Chairman Burson opened discussion relative to a supremacy provision to be included in an article on local and parochial government. The staff was directed to draft such a provision for consideration.

The subcommittee asked the staff to examine Article VII, Section 6(c) of the Illinois Constitution which deals with the subject of municipal ordinances conflicting with county ordinances, and also to prepare a proposal on this subject.

The staff was also requested to study the occupational license tax and the taxing authority of local government.

Mr. Burson asked the staff to prepare the first twenty-two sections of the subcommittee's recommendations to be presented to the full committee on Friday, June 1, 1973.

The subcommittee adjourned at 12:30 p.m.

  
I. Jackson Burson, Chairman

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#### MINORITY REPORT

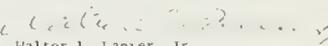
This Minority Report is filed in opposition to subsection A of section 5 entitled Limitations on Bonded Indebtedness of Political Subdivisions which has been tentatively approved by the Finance Subcommittee of the Local and Parochial Government Committee of the Louisiana Constitutional Convention of 1973. The subcommittee has proposed a provision which would limit the amount of bonded indebtedness payable from ad valorem taxes to 10 percent of the assessed valuation of taxable property in the political subdivision except for parishes with school districts and other school districts where the limitation shall be 25 percent of the assessed valuation of the taxable property. I oppose this provision for three reasons: 1. This limitation is unrealistic and not consistent with actual practices on the bonding market and accordingly impose unnecessary restriction on local units of government in the area of public financing; 2. This provision helps to perpetuate the present system of inequity in taxing practices between parishes; and 3. This provision would have the effect of encouraging the present practice of multiplicity of subordinate districts and would not be in accord with the overall policy of this committee to strengthen and centralize the home rule authority of local units of government.

In the testimony that we heard before our committee, we were told that on the bonding market a unit of government could safely issue bonds up to approximately 10 or 15 percent of the actual cash value of the property in the political subdivision. We were also told that the agencies who rate bonds do not look to the local limitation placed by the state but make their determination on what percentage of actual cash value is bonded. It is my understanding that at the present time the assessed valuation in the various parishes in our state ranges from 5 to 25 percent of actual cash value. If a parish is on a 5 percent assessment base, this would mean that this unit of local government under the presently proposed provision could only issue bonds up to 5/10 percent of the actual cash value of the property in that unit. Since we have been advised that a local unit of government can bond safely up to approximately 10 percent of actual cash value, it seems to me to be very

unrealistic to limit a unit to 5/10 percent. It would further seem to me that such a limitation would severely hamper the public financing of needed facilities within an affected unit.

To base the limitation on ~~brink~~ indebtedness on assessed evaluation at the present time would be a perpetuation of the present system of inequality of taxing base in existence in our state. As previously indicated, it is my understanding that the assessment base throughout the parishes in our state range from 5 percent to 25 percent of actual cash value. If this provision is approved this would mean that some parishes in our state could only bond up to 5/10 percent of actual cash value, while in other parishes, bonds could be issued up to 2.5 percent of actual cash value, or 5 times the amount of another parish or municipality. To me this is a denial of equal protection of the laws and such a provision should not be approved by our committee. If the committee on Revenue, Finance, and Taxation passes a uniform assessment base provision for the entire state this would of course solve part of this problem.

If the presently proposed provision is approved, it would tend to encourage the present system of multiplicity of districts in order to avoid the unrealistic effect of limiting bonding capacity to 5/10 percent or 2.5 percent of actual cash value. At the present time many subordinate districts are created in units of local government to avoid the unrealistic limitation of 10 percent of assessed evaluation. A review of the provisions tentatively approved by the general drafting subcommittee will show that it has been our policy to encourage the strengthening and consolidation of powers in local governmental units to bring about greater efficiency and responsiveness. If we are to effectively have consolidation, then why hamper the unit of local government with an unrealistic bonding limitation? Would it not be more logical to set a realistic limitation which is consistent with the policies in the bonding industry? Accordingly, it is my feeling that it would be better to fix a limit for bonded indebtedness based on actual cash value rather than a percentage of assessed evaluation. For these reasons, I respectfully dissent from the proposal as approved by the subcommittee on financing.

  
Walter L. Lanier, Jr.  
Delegate, District 55

May 24, 1973

#### MEMORANDUM

RE: CHANGES SUGGESTED BY WALTER LANIER TO FINANCE PROVISIONS

#### 1. Section 5(A)

Change line 22 - "any one purpose" to read "for all purposes"

Change line 26 - "assessed valuation" to read "fair market value as listed on the assessment rolls"

Change line 32 - "assessed valuation" to read "fair market value"

MINUTES

Minutes of the Subcommittee on General Provisions and the Subcommittee on Finance of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on June 6, 1973  
Committee Room 5, State Capitol Building  
Baton Rouge, Louisiana  
Thursday, June 14, 1973, 2:00 p.m.

Presiding: Joseph F. Toomy, Chairman of the Subcommittee on Finance

Present: Joseph Toomy                      Absent: I. Jackson Burson  
          Ethan Chatelain                      Edward D'Gerolamo  
          Walter Lanier, Jr.  
          Mary Zervigon  
          Chalin O. Perez

In the absence of Mr. Burson, chairman of the Subcommittee on General Provisions, Mr. Toomy, chairman of the Subcommittee on Finance, called the meeting to order.

Mr. Lanier offered a motion that the minutes of April 14, 1973; May 15, 1973; and May 25, 1973, and May 26, 1973, be approved. The motion carried without objection.

Mr. Perez stated that he studied the draft containing Sections 6, 7, 8, 9, 12, 13, 23, 26, and 27 carefully and recommended several changes. He explained his reasons for these amendments prior to the submission to the full committee the following day.

Mr. Chatelain questioned whether the provision on home rule would be broad enough to allow the city and parish of Lafayette to enact a home rule charter. Mr. Perez suggested the following provision be considered.

"Two or more local governmental subdivisions situated within the boundaries of one parish may avail itself of the provisions of this section provided that a majority of the voters who vote in each governmental subdivision in an election held for that purpose vote in favor thereof.  
The legislature shall provide for the method of appointment of a commission to prepare and propose a charter for an election for the purpose of electing such commission or the method by which the electors of more than one local governmental subdivision within the boundaries of one parish may petition for an election for such purpose."

The staff was requested to prepare a proposal on the above.

Mr. Lanier offered a motion that the subcommittee delay action on the section relative to filling of vacancies until the recommendations from the Judiciary Committee were made available. There were no objections to this motion.

Mrs. Zervigon offered a motion that the subcommittee adopt the first sentence of the provision relative to the supremacy clause and report its recommendations to the full committee the following day. The motion carried without objection.

A motion was offered by Mr. Chatelain that the subcommittee adopt Section 26, relative to Intergovernmental Cooperation, as amended by Mr. Perez, and report it to the full committee the following day. Section 26 was proposed to read as follows:

"Any political subdivision may exercise and perform any of its authorized powers and functions, including financing, jointly or in cooperation with

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one or more political subdivisions, either within or without the state, except as the legislature shall provide otherwise by law. The legislature shall not by general or special law require political subdivisions to exercise or perform functions jointly or in cooperation with any other political subdivision, nor shall the legislature require consolidation of governmental functions of local governmental subdivisions."

The motion carried with objection.

Having completed its work, the subcommittee adjourned at 5:00 p.m.

Joseph F. Toomy, chairman,  
Subcommittee on Finance

I. Jackson Burson, chairman,  
Subcommittee on General Provisions

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MINUTES

Minutes of the Subcommittee on General Provisions and the Subcommittee on Finance of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on June 18, 1973  
Committee Room 1, State Capitol Building  
Baton Rouge, Louisiana  
Saturday, June 23, 1973, 9:00 a.m.

Presiding: I. Jackson Burson, Chairman of the Subcommittee Drafting General Provisions

Present: I. Jackson Burson                      Absent: Walter Lanier, Jr.  
          Ethan Chatelain                      Johnny Jackson  
          R. Gordon Kean                      Edward D'Gerolamo  
          Mary Zervigon  
          Joseph Toomy

Others Present: Mayor Pete Heine  
                  Chalin Perez, ex officio member

Mayor Heine presented his proposed Section 9 to the subcommittee, a copy of which is attached hereto and made a part of these minutes. It was discussed, but no vote was taken.

Upon the recommendation of Mr. Kean, the subcommittee adopted Section 9 to read:

"No law requiring an increase in expenditures, or deductions from the funds of a political subdivision for salaries of local public officials or for wages, hours, working conditions, pensions and retirement benefits, vacation, or sick leave benefits of political subdivision employees, or an increase in commissions of or for local political subdivision offices shall have effect until approved by ordinance enacted

by the governing authority of the political subdivision affected thereby, or until the legislature appropriates funds to the affected political subdivision for that purpose and then only to the extent and amount that such funds are appropriated."

Mr. Kean moved to have Section 26, the second sentence of which was referred back to the subcommittee, read as follows:

"Any political subdivision may exercise and perform any of its authorized powers and functions, including the financing, jointly or in cooperation with one or more political subdivisions, either within or without the state, except as the legislature shall provide otherwise by law, providing, however, that no law, general or special, require political subdivisions to exercise or perform functions jointly or in cooperation with any other political subdivision nor shall the legislature require consolidation of governmental functions of local governmental subdivisions, but the legislature may enact laws authorizing the consolidation of political subdivision or the joint exercise of powers and functions by political subdivision providing no such law shall become effective until submitted to and approved by a majority of the electors in each of the political subdivisions affected thereby, voting in an election called for that purpose."

Mr. Toomy moved to change "majority" to "two-thirds".

A roll call vote was taken, and the motion failed with three nays and one yea from Mr. Toomy.

The subcommittee began discussion of the definition of three terms in Section 27. The subcommittee decided to define the three terms in accord with the definitions given by the court in the LeFleur case.

The definition of "powers", previously proposed by Mr. Perez was adopted.

Mr. Perez suggested the definition of "functions" to read:

"duty in the same sense that it is complementary of the power (ability) conferred and as such means onus, or obligation to execute the power granted."

This definition was adopted without objection.

The definition of "structure and organization" was adopted to read:

"the structure and organization and/or the particular distribution and redistribution of powers and functions and/or the supervision, control, and internal arrangement of the component parts of the political subdivision"

The subcommittee decided to make a recommendation to the full committee to change the order of Sections 6, 7, and 8 to 6, 8, and 7; and a stylistic change in the title of Section 7, inserting the word "other" between "of" and "local".

Upon reconvening for lunch at 1:00 p.m., Finance Subcommittee Chairman, Mr. Toomy, called the meeting to order.

The subcommittee began discussion on the "Draft of Provisions to be Considered".

The subcommittee first considered Section 1, "Parish Tax Limits". Mr. Kean moved to insert "who vote in favor thereof" in lieu of "of the parish voting" on line 17 of Section 1. The motion carried without objection.

The staff was requested to change the phrases throughout the draft to conform with Mr. Kean's motion "who vote in favor thereof".

A motion was offered by Mr. Kean to delete the word

"These" on line 15 of Section 1, and the motion carried without objection.

Mr. Kean moved to add a section, entitled Section B, to read:

"Where the millage increase is for other than general operating purposes, the proposition shall state the specific purpose or purposes for which the tax is to be levied, the length of time

the tax is to remain in effect, and all proceeds of the tax shall be dedicated to the purpose or purposes set forth in the proposition."

The motion carried without objection.

Mr. Burson offered a motion to adopt the present paragraph (B) to become paragraph (C) relative to parish levying a tax on property within an incorporated city. The motion carried without objection.

The staff was requested to find out if the city of Monroe is operating under a legislative charter.

The subcommittee decided to use the language of the Law Institute's Article XI, Section E, page 37, of the Law Institute Report, to replace the present paragraph (C) relative to withdrawal of a municipality from the parish taxing authority. This paragraph became paragraph (D).

The subcommittee began discussion on Section 2, "Municipalities Tax Limits; Increase."

The staff was requested to change "of the municipality voting" to "who vote in favor thereof".

Mr. Kean's proposed paragraph (B) was inserted as in Section 1.

Paragraph (C) was added, stating: "This section shall not apply to the city of New Orleans."

The subcommittee opened discussion of Section 3, "Special Taxes; Ratified."

Mr. Burson moved to insert the word "under" in lieu of the words "by the", and delete "under authority of" on line 14. The motion carried.

Mr. Kean offered a motion to add the following phrase to Section 3:

"and the political subdivision is authorized to continue to levy said tax only for the purpose and duration previously authorized by law or by vote of the electors authorizing the tax."

The motion carried without objection.

Mr. Burson proposed a new Section to read:

"Notwithstanding any provision contained in Article \_\_\_\_, Section \_\_\_\_ of this constitution to the contrary, the power of taxation shall not be exercised by the legislature to levy an ad valorem tax upon any property in the state, and such power shall be exclusively vested in political subdivisions to be exercised as provided in this constitution."

He then moved to entitle the proposed section "Political

Subdivisions; Exclusive Authority to Levy and Collect Ad Valorem Taxes". The motion carried without objection.

Mr. Perez asked the staff to research the possibility of drafting a section to allow local governmental subdivisions the authority to enact, with voter approval, a sales tax up to but not to exceed that levied by the state.

The subcommittee began discussion on "Provisions Referred to Finance Subcommittee of the Committee on Local and Parochial Government."

The subcommittee decided to have Section 1, relative to occupational license taxes, agree with the proposal made by Revenue, Finance and Taxation Committee.

A new section was adopted which reads as follows:

"The political subdivision shall not levy: (1) a greater occupational license tax than is imposed by the state; (2) taxes upon or measured by income or earnings, except as shall be authorized by an act passed by not less than 2/3 vote of the elected membership of the legislature."

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Mr. Kean moved to delete the other section [previously Section 7(D)] which was referred back to the subcommittee. The motion carried without objection.

The subcommittee took no action on the levee district bond section on which action had been delayed by the whole committee.

The subcommittee adjourned at 3:30 p.m.

I. Jackson Burson, chairman

Joseph F. Toomy, chairman

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Section 9. Legislation Increasing Expenditures by Political Subdivisions;

Local Approval; Advisory Review Committee

Section 9. (A) No law requiring an increase in expenditures from funds of a local governmental subdivision shall have effect until approved by

ordinance enacted by the governing authority of the local governmental subdivision affected thereby. When funds sufficient to meet the increased expenditure are provided by the legislature, local approval shall not be required.

(B) An Advisory Review Committee is hereby established in each local governmental subdivision, said Committee to be composed of seven (7) members, residing in the local governmental subdivision for which the Committee is established. The members of the Committee shall be selected by the parish legislative delegation, as follows: (1) One (1) member of the governing authority of the municipality who shall be temporary chairman of the Committee; (2) One (1) member of labor; (3) One (1) from the clergy; (4) One (1) from business; (5) One (1) from a profession; (6) One (1) as a representative of veterans; and (7) One (1) member from the staff of the official journal of the municipality.

The temporary chairman shall call the initial meeting of the Committee within fourteen (14) days after the appointment of all members, at which time, the Committee shall elect its permanent chairman and such other officers as it deems necessary. The members of the Committee shall serve without compensation for terms of two (2) years.

The Committee shall act in an advisory capacity and shall meet one time annually, at a time to be specified by the chairman. The Committee shall review wages, working conditions, pensions and retirement benefits, and vacation and sick leave benefits of the local governmental subdivision employees, hear and take testimony concerning same, and make recommendations to the governing authority of the local governmental subdivision with respect thereto. In the event any recommendation of the Committee requires, in the opinion of the governing authority, additional revenues for its implementation, <sup>who decides</sup> not then available out of current budgeted revenues of the municipality, the governing authority of the affected local governmental subdivision shall call an election to levy a tax with which to provide such additional income. The call for the election shall state the proposition for which the tax is to be levied, the length of time it is to continue in effect, and all proceeds of the tax shall be dedicated to the purpose or purposes set forth in the proposition. The election shall be called by the governing authority not later than ninety (90) days following receipt of the Committee's recommendations and shall be held in accordance with the provisions of Article \_\_\_\_\_, Section \_\_\_\_\_ of this Constitution. Nothing herein shall be construed to vest in the Committee authority to perform any governmental function, levy any tax, or any authority with respect to or over civil service or any civil service board or commission established and operating pursuant to law. The Committee shall have the power and authority to subpoena witnesses and books and records for the purposes provided herein.

### 3. Subcommittee on Special Districts: Sewerage, Water, Levee and Other Related Districts

Subcommittee on Special Districts; Sewerage, Water,  
Levee, and Other Related Districts

Committee Room 204

State Capitol Building

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

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

Presiding: Mr. Joseph Conino, chairman of the Subcommittee  
on Special Districts

Mr. Conino opened the meeting with a general discussion on levee boards. Mr. Shannon classified them as "independent state agencies" and explained that the seventeen levee districts in Louisiana are affected differently by federal legislation. The southern districts are within the jurisdiction of Mississippi River and Tributaries Act, but districts north of Boyce are covered by the Emergency Flood Control Act.

Mr. Shannon approved the general ideas for a constitutional provision on levee districts suggested on page six of the February 27, 1973 minutes of the Joint Legislative Committee on the Reorganization of Levee Districts. He argued, however, that the voters in a levee district should vote upon any consolidation plan which would merge the district into parish government. The subcommittee agreed, and the members voted to include "and of the majority of the voters of such district" between "parish" and "who" on line 4 of section 2 of the proposed provision.

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The subcommittee postponed further discussion on levee districts until it could hear from Mr. Perez on the following morning.

For the remainder of the meeting, the members discussed assigned provisions in Article VI, Article XIV, and Article XV of the Constitution of 1921.

They suggested deletion of Article VI, Section 11(1) (Mosquito Abatement Districts); Article XIV, Section 3(b) (East Baton Rouge Recreation and Park Commission); and Article XIV, Section 34 (Garbage Districts).

They suggested deletion of the following sections of Article XIV in coordination with the Subcommittee on Revenue and Taxation:

Section 35 (Fourth Jefferson Drainage District;  
bond issue)  
Section 36 (Jefferson Parish Community Center &  
Playground Districts; bonds)  
Section 37(1) (Jefferson Parish Sub-Sewerage  
Districts)  
Section 38 (Jefferson Parish Public Improvement  
Districts)  
Section 38(1) (St. Charles Parish Reclamation  
Projects and Public Improvement Districts)

Section 43 (Jefferson Parish Consolidated Drainage  
Districts; bonds; taxation)

The committee recessed for lunch at 12:10 p.m.

In discussing Article XV, the subcommittee considered combining and broadening Sections 1 and 2 into a general provision authorizing the creation of public improvement districts, drainage districts, garbage districts, reclamation districts, and fresh water districts. Such a provision would also protect the outstanding bonds of special districts slated for deletion from the constitution.

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The subcommittee deferred action until the following morning on Sections 3 and 4 of Article XV and directed the staff to research possible obstacles to the statutory continuation of the Bayou Lafourche Fresh Water District and the Iatt Lake Water Conservation District.

There being no further discussion, the meeting adjourned at 3:30 p.m. until 10:00 a.m. the following day.

April 28, 1973

Mr. Conino called upon Mr. Perez, who explained the necessity of coordination between levee districts and local officials. The members then discussed the methods of selecting levee board members and the means to assure fair compensation of property owners whose land is appropriated by a district. Mr. Perez volunteered to draft a provision that would grant land owners whose holdings were "substantially destroyed" fair market value for appropriated property.

The subcommittee voted to delete from the constitution Sections 3 and 4 of Article XV. Mr. Perez also suggested that as the legislature may act on all matters not prohibited by the constitution, a general provision authorizing the creation of special districts and the protection of their bonds is perhaps unnecessary.

The subcommittee directed the staff to determine whether the reclamation powers of the city of Lake Charles would be endangered by the removal of Sections

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39, 39(1), 44, and 44(1) of Article XIV. The staff was also directed to research the ability of the Stadium and Exposition District to refund its bonds if Section 47 of Article XIV were deleted.

Having discussed all assigned sections of the constitution, the subcommittee adjourned at 12:00 noon.

  
Joseph A. Conino, Chairman

MINUTES

Minutes of the Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

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

State Education Building, Room 410  
Baton Rouge, Louisiana  
Tuesday, May 15, 1973, 9:00 a.m.

Presiding: Joseph Conino, Chairman of the Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts

Present: Joseph Conino                      Absent: H. M. Fowler  
          V. C. Shannon                         J. E. Stephenson  
          Pete Heine

The minutes of the previous meeting were read and amended to show J. E. Stephenson present on Saturday.

Discussion began on Article XIV. It was moved that Article XIV, Section 47, be deleted from the constitution and placed in the statutes. The motion carried without objection.

Discussion was deferred on Article XIV, Sections 39, 39.1, 44, and 44.1 until further research could be made available.

Mr. Perez presented a proposed rough draft of Article XVI. Section 2(a) was tentatively approved.

In Section 2(b) on line six, after "district" the subcommittee omitted from "in" to "mills." After "annually," they omitted from "for" to "year."

In Section 2(c) they deleted "for that purpose" and substituted "in the manner provided in Article \_\_\_\_, Section \_\_\_\_, of this constitution."

Section 3, 4, and 5, should be retained.

Section 6 should be changed so that on line eight, "and improvements" was added after "property." The percentage of said property destroyed before the owner would receive fair market value was changed from "one-half" to "one-third."

The draft submitted by Mr. Perez omitted Article XVI, Sections 7, 8, and 8(a).

Mr. Fred Benton, Jr., was present at the meeting and

stated he would do research concerning the reclamation of Lake Charles by local authorities.

The committee recessed at 12:10 p.m. for lunch.

After lunch, a quorum was not present, so informal discussion was held concerning the Dome Stadium, levee districts and the Calcasieu Parish playground district.

The meeting was adjourned at 3:45 p.m.



ARTICLE XVI

LEVEES

*Perez draft*  
*5/15/73*

- Sec.
1. Levee districts.
  2. District taxes; Orleans levee district tax.
  3. Bond issues.
  4. Interstate districts.
  5. Cooperation with federal government.
  6. Compensation for property used or destroyed; tax.

§ 1. Levee districts.

Section 1. Levee districts as now organized and constituted shall continue to exist except that:

1. The Legislature may provide for the consolidation, division or reorganization of existing levee districts or create new levee districts provided that the members of the board of commissioner of such districts shall be appointed or elected from residents of such district.
2. Any levee district whose flood control responsibilities are limited to and which is situated entirely within the boundaries of one parish may be merged and consolidated into such parish under the terms and conditions and in the manner provided in Article \_\_\_\_, Section \_\_\_\_ of this Constitution. This provision shall be self-operative.

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

§ 2. District taxes; Orleans Levee District tax and refunding bonds; Increase in tax to raise additional funds

Section 2. (a) For the purpose of constructing and maintaining levees, levee drainage, and for all other purposes incidental thereto, the governing authority of each district, with the exception of the Board of Levee Commissioners of the Orleans Levee District, may levy annually a tax not to exceed five (5) mills on the dollar on all taxable property situated within the alluvial portions of said district subject to overflow.

(b) For the purposes of constructing and maintaining levees, levee drainage, flood protection, land reclamation, and all other incidental purposes, and the payment of existing and future indebtedness, and the payment of bonds and certificates, issued and to be issued, and the satisfaction of any other legal obligations incurred and to be incurred in exercise of any power and authority vested in the Board of Levee Commissioners of the Orleans Levee District by the constitution and laws of Louisiana, the Board of Levee Commissioners of the Orleans Levee District, ~~in lieu of the previous annual~~

tax not to exceed three mills, may levy annually for the year 1963, and each later year, a tax not to exceed two and one-half mills on the dollar on all taxable property situated within the Parish of Orleans. Nothing herein shall affect or impair any existing rights of holders of bonds or other obligations of the Board of Levee Commissioners of the Orleans Levee District.

(c) Should the necessity arise in any levee district to raise additional funds for any of the purposes herein set forth, the tax herein authorized may be increased when the rate of such increase and the necessity therefor shall have been submitted to and voted for at an election called for that purpose.

(As amended Acts 1955, No. 130, adopted Nov. 6, 1956, Acts 1962, No. 514, adopted Nov. 6, 1962.) . . . in the manner provided in Article \_\_\_\_, Section \_\_\_\_.

§ 3. Bond issues.

Section 3. Subject to the approval of the State Bond Commission or any successor thereto, the governing body of any levee district may fund the avails of said taxes or other revenues into bonds, or other evidences of indebtedness, the proceeds thereof to be used for the purposes mentioned in this Article; or for the funding or payment of any outstanding indebtedness.

Bonds issued under the authority of the foregoing provision shall be sold at not less than par and accrued interest.

§ 4. Interstate districts

Section 4. The Legislature, with the concurrence of an adjoining State, may create levee districts composed of territory partly in each State, and may authorize the construction and maintenance of levees wholly within another State.

§ 5. Cooperation with federal government

Section 5. All governing authorities of districts which have been, or may be created, are authorized to co-operate with the Federal Government in the construction and maintenance of the levees in this State, on such terms and conditions as may be provided by the Federal authorities and accepted by the State authorities.

§ 6. Compensation for property used or destroyed; tax

Section 6. Lands and improvements thereon hereafter actually used or destroyed for levees or levee drainage purposes shall be paid for at a price not to exceed the assessed value for the preceding year, provided, that this shall not apply to batters, nor to property the control of which is vested in the State or any subdivision thereof for the purpose of commerce; and provided, further, that if property used or destroyed for levees or levee drainage purposes from any landowner shall exceed more than one-half <sup>that</sup> the value of that landowner's property, <sup>and improvements thereon</sup> the land and improvements thereon shall be paid for at fair market value.

If the district has no other funds or resources out of which such payment can be made, it may levy, on all taxable property situated therein, a tax sufficient to pay for said property so taken, to be used solely in the district where collected. This shall not prevent the appropriation of said property before payment.

*Page*  
*Pages -*

Sec.

1. Levee districts.
2. District taxes; Orleans levee district tax.
3. Bond issues.
4. Interstate districts.
5. Cooperation with federal government.
6. Compensation for property used or destroyed; tax.

§ 1. Levee districts.

Section 1. Levee districts as now organized and constituted shall continue to exist except that:

1. The Legislature may provide for the consolidation, division or reorganization of existing levee districts or create new levee districts provided that the members of the board of commissioners of such districts shall be appointed or elected from residents of such district.
2. Any levee district whose flood control responsibilities are limited to and which is situated entirely within the boundaries of one parish may be merged and consolidated into such parish under the terms and conditions and in the manner provided in Article \_\_\_\_, Section \_\_\_\_ of this Constitution. This provision shall be self-operative.

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

§ 2. District taxes; Orleans Levee District tax and refunding bonds; Increase in tax to raise additional funds

Section 2. (a) For the purpose of constructing and maintaining levees, levee drainage, and for all other purposes incidental thereto, the governing authority of each district, with the exception of the Board of Levee Commissioners of the Orleans Levee District, may levy annually a tax not to exceed five (5) mills on the dollar on all taxable property situated within the alluvial portions of said district subject to overflow.

(b) For the purposes of constructing and maintaining levees, levee drainage, flood protection, land reclamation, and all other incidental purposes, and the payment of existing and future indebtedness, and the payment of bonds and certificates, issued and to be issued, and the satisfaction of any other legal obligations incurred and to be incurred in exercise of any power and authority vested in the Board of Levee Commissioners of the Orleans Levee District by the constitution and laws of Louisiana, the Board of Levee Commissioners of the Orleans Levee District, ~~in lieu of the previous annual tax not to exceed three mills, may levy annually for the year 1963, and each later year, a tax not to exceed two and one-half mills on the dollar on all taxable property situated within the Parish of Orleans. Nothing herein shall affect or impair any existing rights of holders of bonds or other obligations of the Board of Levee Commissioners of the Orleans Levee District.~~

(c) Should the necessity arise in any levee district to raise additional funds for any of the purposes herein set forth, the tax herein authorized may be increased when the rate of such increase and the necessity therefor shall

have been submitted to and voted for at an election called for that purpose.

(As amended Acts 1955, No. 138, adopted Nov. 6, 1956; Acts 1962, No. 514,

adopted Nov. 6, 1962.)

§ 3. Bond issues.

Section 3. Subject to the approval of the State Bond Commission or any successor thereto, the governing body of any levee district may fund the avails of said taxes or other revenues into bonds, or other evidences of indebtedness, the proceeds thereof to be used for the purposes mentioned in this Article; or for the funding or payment of any outstanding indebtedness.

Bonds issued under the authority of the foregoing provision shall be sold at not less than par and accrued interest.

§ 4. Interstate districts

Section 4. The Legislature, with the concurrence of an adjoining State, may create levee districts composed of territory partly in each State, and may authorize the construction and maintenance of levees wholly within another State.

§ 5. Cooperation with federal government

Section 5. All governing authorities of districts which have been, or may be created, are authorized to co-operate with the Federal Government in the construction and maintenance of the levees in this State, on such terms and conditions as may be provided by the Federal authorities and accepted by the State authorities.

§ 6. Compensation for property used or destroyed; tax

Section 6. Lands and improvements thereon hereafter actually used or destroyed for levees or levee drainage purposes shall be paid for at a price not to exceed the assessed value for the preceding year; provided, that this shall not apply to bature, nor to property the control of which is vested in the State or any subdivision thereof for the purpose of commerce; and provided, further, that if property used or destroyed for levees or levee drainage purposes from any landowner shall exceed more than one-half the value of that landowner's property, the land and improvements thereon shall be paid for at fair market value.

If the district has no other funds or resources out of which such payment can be made, it may levy, on all taxable property situated therein, a tax sufficient to pay for said property so taken, to be used solely in the district where collected. This shall not prevent the appropriation of said property before payment.

MINUTES

Minutes of the Subcommittee on Special Districts:  
Sewerage, Water, Levee, and Other Related Districts  
of the Committee on Local and Parochial Government  
of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of  
the Convention on June 7, 1973

Senate Lounge, State Capitol Building

Baton Rouge, Louisiana

Friday, June 15, 1973, 10:00 a.m.

Presiding: Joseph Conino, chairman of the Subcommittee on  
Special Districts: Sewerage, Water, Levee, and Other  
Related Districts

Present: Joseph Conino  
Mayor Pete Heine  
V. C. Shannon  
J. E. Stephenson  
Chalin Perez

Absent: H. M. Fowler

Mr. Perez submitted various amendments to the proposal prepared by the subcommittee. Several changes were made in the proposal, and a copy of the final draft by the subcommittee is attached hereto and made a part of these minutes.

Mr. Shannon offered a motion to delete Article XIV, Sections 39, 39.1, 44, 44.1, relative to Lake Charles and Calcasieu Reclamation and Playground Districts from the constitution and place them in the statutes. The motion carried without objection.

Having completed its work, the Subcommittee on Special Districts adjourned at 11:00 a.m.

Joseph Conino, chairman

CC-

1 Constitutional Convention of Louisiana of 1973

2 SUBCOMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 Relative to levee districts.

6 PROPOSED SECTIONS:

7 Section 1. Levee Districts

8 Section 1. (A) Levee districts as now organized and  
9 constituted shall continue to exist except that (1) the  
10 legislature may provide for the consolidation, division  
11 or reorganization of existing levee districts or create  
12 new levee districts provided that the members of the  
13 boards of commissioners of such districts shall be appointed  
14 or elected from residents of such district; (2) any levee  
15 district whose flood control responsibilities are  
16 limited to and which is situated entirely within the  
17 boundaries of one parish may be merged and consolidated  
18 into such parish under the terms and conditions and in  
19 the manner provided in Article \_\_\_\_, Section \_\_\_\_ of this  
20 constitution. This provision shall be self-operative.

21 (B) No action taken hereunder shall impair the  
22 obligation of any outstanding bonded indebtedness or of  
23 any other contract of such levee district.

24 Source: New

25 Comment: Paragraph (A) provides for the maintenance of levee  
26 districts as now organized. It allows the legislature to  
27 reorganize and create districts provided that the boards  
28 of commissioners are residents of such districts. It  
29 provides for the merger of a single-parish district into  
30 a parish government.

31 Paragraph (B) forbids the impairment of contracts of  
32 any district.

Section 2. District Taxes; Orleans Levee District Tax and Refunding Bonds; Increase in Tax to Raise Additional Funds

Section 2. (A) For the purpose of constructing and maintaining levees, levee drainage, and for all other purposes incidental thereto, the governing authority of each district, with the exception of the Board of Levee Commissioners of the Orleans Levee District, may levy annually a tax not to exceed five mills on the dollar on all taxable property situated within the alluvial portions of said district subject to overflow.

(B) For the purposes of constructing and maintaining levees, levee drainage, flood protection, land reclamation, and all other incidental purposes, and the payment of existing and future indebtedness, and the payment of bonds and certificates, issued and to be issued, and the satisfaction of any other legal obligations incurred and to be incurred in exercise of any power and authority vested in the Board of Levee Commissioners of the Orleans Levee District by the constitution and laws of Louisiana, the Board of Levee Commissioners of the Orleans Levee District may levy annually a tax not to exceed two and one-half mills on the dollar on all taxable property situated within the parish of Orleans. Nothing herein shall affect or impair any existing rights of holders of bonds or other obligations of the Board of Levee Commissioners of the Orleans Levee District.

(C) Should the necessity arise in any levee district to raise additional funds for any of the purposes herein set forth, the tax herein authorized may be increased when the rate of such increase and the necessity therefor shall have been submitted to and voted for at an election called in the manner provided in Article \_\_\_\_, Section \_\_\_\_.

Source: La. Const. Art. XVI, §2 (1921).

Comment: Paragraph (A) is verbatim with the source provision.

Paragraph (B) repeats the source with modernization of text.

Paragraph (C) repeats the source provision and implies the creation of an election procedure in another section.

Section 3. Bond Issues

Section 3. (A) Subject to the approval of the State Bond Commission or any successor thereto, the governing body of any levee district may fund the avails of said taxes or other revenues into bonds, or other evidences of indebtedness, the proceeds thereof to be used for the purposes mentioned in this Article or for the funding or payment of any outstanding indebtedness.

(B) Bonds issued under the authority of the foregoing

provision shall be sold at not less than par and accrued interest.

Source: La. Const. Art. XVI, §3 (1921).

Comment: The source provision requires the legislature to authorize the funding of bonds.

Paragraph (A) of this proposed provision allows the governing body of a levee district to fund bonds with the approval of the State Bond Commission or any successor thereto.

Paragraph (B) deletes the limitation in the source provision on the percentage of annual interest possible from bonds issued.

Section 4. Interstate Districts

Section 4. The legislature, with the concurrence of an adjoining state, may create levee districts composed of territory partly in each state, and may authorize

the construction and maintenance of levees wholly within another state.

Source: La. Const. Art. XVI, §4 (1921).

Comment: Verbatim with source provision.

Section 5. Cooperation With Federal Government

Section 5. All governing authorities of districts which have been, or may be created, are authorized to cooperate with the federal government in the construction and maintenance of the levees in this state, on such terms and conditions as may be provided by the federal authorities and accepted by the state authorities.

Source: La. Const. Art. XVI, §5 (1921).

Comment: Verbatim with source provision.

Section 6. Compensation for Property Used or Destroyed; Tax

Section 6. (A) Lands and improvements thereon hereafter actually used or destroyed for levees or levee drainage purposes shall be paid for at a price not to exceed the assessed value for the preceding year; provided, that this shall not apply to batture, nor to property the control of which is vested in the state or any subdivision thereof for the purpose of commerce; and provided, further, that if property used or destroyed for levees or levee drainage purposes from any landowner shall exceed more than one-third the value of that landowner's property and improvements, the land and improvements thereon shall be paid for at fair market value.

34 (B) If the district has no other funds or resources  
35 out of which such payment can be made, it may levy,

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1 on all taxable property situated therein, a tax sufficient  
2 to pay for said property so taken, to be used solely in  
3 the district where collected. This shall not prevent the  
4 appropriation of said property before payment.

6 Source: La. Const. Art. XVI, §6 (1921).

8 Comment: Paragraph (A) repeats the source provision with  
9 two exceptions: 1) it deletes provisions relative to  
10 acquisition of property in and replacement of streets  
11 in municipalities of one hundred thousand population;  
12 2) it adds a provision requiring the reimbursement, at  
13 full market value, of a landowner when the property and  
14 improvements used or destroyed by a levee district  
15 exceeds one-third the value of that landowner's property  
16 and improvements.

17 Paragraph (B) deletes provisions relative to the re-  
18 location and restoration of streets and highways in  
19 municipalities of one hundred thousand population.

1 Constitutional Convention of Louisiana of 1973  
2 SUBCOMMITTEE PROPOSAL NUMBER  
3 Introduced by Delegate Conino on behalf of the Subcommittee  
4 on Special Districts; Sewerage, Water, Levee, and Other  
5 Related Districts

6 A PROPOSAL

7 Relative to Special Districts

8 PROPOSED SECTIONS:

9 Article\_\_\_\_, Section\_\_\_\_. Special Districts  
10 Section\_\_\_\_. The legislature may only amend, modify,  
11 or change the powers, functions, structure, and organiza-  
12 tion of the following special districts or special districts  
13 created under the authority of the constitutional provision  
14 cited therewith, by act passed by at least a two-thirds  
15 vote of the elected membership of each house of the  
16 legislature:

17 (1) East Baton Rouge Park and Recreation Commission

18 [Art. XIV, §3(b)]

19 (2) Garbage Districts (Art. XIV, §34)

20 (3) Fourth Jefferson Drainage District (Art. XIV, §35)

21 (4) Jefferson Parish Community Center and Playground  
22 Districts (Art. XIV, §36)

23 (5) Jefferson Parish Sub-Sewerage Districts (Art. XIV,  
24 §37.1)

25 (6) Jefferson Parish Public Improvement Districts  
26 (Art. XIV, §38)

27 (7) St. Charles Parish Reclamation Projects by Public  
28 Improvement Districts (Art. XIV, §38.1)

29 (8) City of Lake Charles Reclamation and Development  
30 of Lake Front (Art. XIV, §39)

31 (9) Calcasieu Parish Community Center and Playground  
32 Districts (Art. XIV, §39.1)

33 (10) Jefferson Parish Consolidated Drainage Districts  
34 (Art. XIV, §43)

1 (11) City of Lake Charles Reclamation and Development  
2 of Lake Bed and Waterfront (Art. XIV, §44)

3 (12) City of Lake Charles Reclamation and Development  
4 of Lake Front (Art. XIV, §44.1)

5 (13) Louisiana Stadium and Exposition District (Art. XIV, §47)

6 (14) Authorization (Art. XV, §1)

7 (15) Existing Laws Continued (Art. XV, §2)

8 (16) Bayou Lafourche Fresh Water District (Art. XV, §3)

9 (17) Iatt Lake Water Conservation District (Art. XV, §4)

10 (18) Orleans Levee District Board of Commissioners (Art. XVI,  
11 §7)

12 (19) Ponchartrain Levee District Commissioners (Art. XVI, §8)

13 (20) Ponchartrain Levee District [Art. XVI, §8(c)]

## 4. Subcommittee on Special Districts: Transportation, Ports and Harbors

Subcommittee on Special Districts and  
Transportation, Ports, and Harbors

Committee Room 206,  
State Capitol

April 27, 1973

Presiding: Terry R. Reeves, Chairman of the Subcommittee

The committee discussed Article VI, §17, dealing with the Port of New Orleans. The committee members agreed that there were many inequities in the manner in which the Port was set up and maintained, and that something must be done to correct those inequities. Further consideration of Article VI, §17, was deferred until such time as the New Orleans Port Commission had made its recommendations, and Dr. Ullo had prepared the recommendations from Jefferson Parish. Mr. Cannon asked the research staff to compile a list of references in the constitution pertaining to the Port of New Orleans which had expired or become outdated.

During the discussion of Article VI, Section 24, dealing with the financing of the Chef Menteur and Hammond Highways, it was pointed out that this same provision was incorporated in the Acts of 1918. Mr. Chatelain moved to delete this section from the constitution since it is not necessary to have it in both the constitution and acts of the legislature. There being no objections, the motion passed.

Article VI, Section 24.1, dealing with auto license tax for the Chef Menteur and New Orleans Hammond Highways, Mr. Hayes offered a motion to delete this section. With no objections, the motion passed.

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After a brief discussion of Article VI, Section 27, which dealt with Lake Pontchartrain and the sale of submerged lands, Mr. Chatelain moved to delete the section. The motion passed unanimously.

Article VI, Sections 29 through 29.4, dealing with the creation of the Baton Rouge Port Commission was discussed next. Since the Baton Rouge Port Commission had not made its recommendations yet, the committee deferred consideration of this section until a later time.

Article VI, Section 31, dealt with the creation of the Greater Ouachita Port Commission. Mr. Chatelain moved to delete this section from the constitution. Mr. Hayes objected to this motion. He felt that this port commission had just as much right to stay in the constitution as did the New Orleans and Baton Rouge Port Commissions. Mr. Reeves pointed out that the purpose of leaving New and Baton Rouge Port Commissions for the time being was not for the purpose of keeping them in the constitution, but

because the committee had not heard their recommendations. After a lengthy discussion, Mr. Chatelain withdrew his motion and the committee deferred consideration of this section. Mr. Cannon asked the research staff to determine whether or not this commission was created in the statutes.

The committee discussed Article XIV, Section 6, dealing with parishes acquiring property for navigation canals. Mr. Carriere pointed out that the Law Institute recommended deleting this section because it is substantially duplicated in the statutes. (R.S. 34:361) Mr. Hayes offered a motion

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to delete the section and place it in the statutes where it is now. With no objections, the motion passed.

There was discussion on Article XIV, Section 31.6, dealing with the Moisant Airport. The committee decided to invite Mr. Kelly Nix to speak to the committee on the regional concepts of aviation. Further consideration of this section was deferred until more information was made available to the committee.

In relation to Article XIV, Section 45, it was pointed out that Louisiana and Texas have an agreement pertaining to this section which deals with the Sabine River Authority. The committee recommended getting the attorney general's opinion on how the placing of this provision in the statutes would adversely affect the agreement between Louisiana and Texas. The committee also instructed the staff to determine if Texas included a provision for the Sabine River Authority in its constitution. Mr. Carriere pointed out that the Law Institute recommends deleting this section.

Mr. Carriere told the committee that the Law Institute recommends deleting Article XIV, Sections 30-30.5. Mr. Hayes moved to delete Section 30.3, dealing with the creation and authorities of navigation and river improvement districts, with the predication that Section 18 of the Law Institute's recommendations be accepted. There being no objections, the motion passed. Dr. Ullo offered a motion to delete Section 30.4 from the constitution; with no objections, the motion passed.

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Chairman Reeves temporarily stepped down as chairman and Mr. Chatelain acted as chairman. Mr. Reeves offered a motion to delete Article XIV, Section 30.5 dealing with the Red River Authority from the constitution and place it in the statutes. There being no objections, the motion

passed. Chairman Chatelain turned the chairmanship back to Mr. Reeves. The committee made no definite decision on Article XIV, Sections 30, 30.1, and 30.2.

Chairman Reeves recessed the meeting at 4:30 p.m.

April 28, 1973

Chairman Reeves called the meeting to order at 9:00 a.m. With everyone present, the meeting proceeded.

Chairman Reeves presented the committee members with a copy of the recommendation submitted by the Board of Orleans Port Commission and suggested that everyone read it carefully. It is attached hereto and made a part of these minutes as Appendix I. Discussion on the proposal was deferred until the next meeting which the committee set for Saturday, May 5, 1973.

Mr. Carriere, research assistant, gave the committee a report which listed the constitutional provisions which are repeated verbatim in the statutes or repeated in substance. His report is attached hereto and made a part of the minutes as Appendix II.

The committee discussed Article VI, Section 32, dealing with the Caddo-Bossier Parishes Port Commission. Chairman Reeves told the committee that he talked with Mr. Shannon,

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a representative from the Caddo-Bossier area, and Mr. Shannon did not feel that the people of this area wanted this section to remain in the constitution. Mr. Chatelain offered a motion to delete Article VI, Section 32 from the constitution and place it in the statutes; with no objections, the motion passed.

Mr. Carriere pointed out that Article VI, Section 35, which creates the Avoyelles Parish Port Commission was verbatim in the statutes; and Dr. Ullo moved to delete it from the constitution, and leave it in the statutes. There being no objections, the motion passed.

After a short discussion, Mr. Cannon offered a motion to delete Article VI, Section 36.1, which dealt with the Rapides Parish Port Commission. With no objections, the motion passed.

Chairman Reeves read a letter from the Lake Providence Port Commission in relation to Article VI, Section 33. The letter is attached hereto and made a part of these minutes as Appendix III. Mr. Chatelain offered a motion to delete Article VI, Section 33 from the constitution and place it verbatim in the statutes where it presently is (34.1501-1506) (34:1507). The motion passed unanimously.

Mr. Hayes moved to delete Article VI, Section 34 which creates the Concordia Parish Port Commission from the constitution and place it in the statutes where it presently is

(R.S. 34:1851-1857). There being no objections, the motion passed.

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Dr. Ullo offered a motion to delete Article VI, Section 33.1 which creates the South Louisiana Port Commission from the constitution and place it verbatim in the statutes. With no objections, the motion passed.

Mr. Cannon moved to delete Article VI, Section 31 which creates the Greater Ouachita Port Commission from the constitution and place it verbatim in the statutes. The motion passed unanimously.

Chairman Reeves read a letter pertaining to the Lake Charles Port Commission which is attached hereto and made a part of these minutes as Appendix IV. Mr. Chatelain pointed out the importance of the port, and said that it is the third major port in Louisiana. The committee deferred consideration of this section for the time being.

Chairman Reeves reviewed what the committee had done so far. Mr. Carriere told the committee that in regard to Article VI, Section 45 which dealt with the Sabine River Authority, that a cursory examination of the Texas State Constitution showed that there is no mention of the Sabine River Authority in that constitution. The committee asked for a more detailed study of the Texas Constitution to determine, if in fact, there was any mention of the Sabine River Authority.

Discussion was started on the proposal sent by the Board of the Port of New Orleans. Chairman Reeves suggested that the discussion be held until the next meeting.

Chairman Reeves adjourned the meeting at 12:35 p.m.

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*Terry R. Reeves*  
Terry R. Reeves, Chairman



April 27, 1973

Mr. Terry B. Reeves  
Chairman  
Subcommittee on Special  
Transportation Departments  
Committee on Local and Parochial  
Government  
Constitutional Convention 1973  
Baton Rouge, Louisiana

Dear Mr. Reeves:

Enclosed is a copy of the present constitutional provisions relating to the Board of Commissioners of the Port of New Orleans, on which you will note that we have recommended deletions and/or transfer to the Revised Statutes, as well as recommendations for clarification and retention of certain portions in the proposed Constitution, all as more particularly indicated in the margin notes.

These sections which we have indicated to be retained to the Constitution and blocked for emphasis are, in our opinion, essential for the continued operation and growth of the commerce of this Port and for maintaining its status as the second port in the nation in competition with all ports in the coastal ranges of North America.

It is our belief that the powers and authorities, particularly those relating to the organization and structure of the Port, blocked herein, have been a major keystone in assisting this Port to expand at a rate exceeding that of the national average and to, in fact, become the largest port in the Gulf and second only to New York in the United States.

I am sending copies of this letter with attachments to the other members of your subcommittee and twenty extra copies are also enclosed for your use.

Members of my staff and I will be available to answer any questions concerning our recommendations should you so desire.

Very truly yours,

Edward S. Reed  
Executive Port Director  
and General Manager

ESR:GS

enclosures

cc: Messrs. Cannon, Chateaiso, Hayes, Ulio

BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS • POST OFFICE BOX 6004A • NEW ORLEANS, LOUISIANA 70180  
Tel. 504 522 2551 An Agency of the State of Louisiana Cable CENTPORT

## CONSTITUTION OF LOUISIANA OF 1921

### ARTICLE VI; SECTION 17

#### POWERS AND AUTHORITY - TERRITORIAL LIMITS

MEMBERS OF BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS—APPOINTMENT—QUALIFICATIONS—TERM OF OFFICE—ORGANIZATION OF BOARD — NOTICE OF, AND NOMINATIONS TO FILL VACANCIES POLITICAL AFFILIATIONS PROHIBITED — REMOVAL

#### Section 17-

##### POWERS AND AUTHORITY; TERRITORIAL LIMITS

The Board of Commissioners of the Port of New Orleans shall have the authority to do all things necessary to promote and regulate the commerce and traffic of the port; and shall have the full power to provide and administer all facilities which are necessary to the above purposes, including but not limited to, the building, maintenance and operation of public wharves and other facilities which are port connected. Without limiting or detracting from the powers of the Board of Commissioners of the Port of New Orleans now conferred by the Statutes of this State or by this Constitution, the Board of Commissioners of the Port of New Orleans shall have full power to acquire by purchase, exchange, lease, expropriation, or otherwise, any property deemed necessary by said Board for the commerce or other public purposes of the port and to lease, sell, exchange, or otherwise dispose of any such properties, including, without limitation, any wharves, buildings, improvements, structures or facilities of any nature whatsoever. The Board shall exercise all such powers and authority within the territorial limits of the Port of New Orleans, which shall comprise the parishes of Jefferson, Orleans and St. Bernard.

Number of members; qualifications; vacancies.

Upon the adoption of this amendment, the number of the members comprising the Board of Commissioners of the Port of New Orleans shall be five, who shall be qualified voters residing in the parishes in which the Port Area is located, and at least one of whom shall reside and have his principal place of business in the West Side of the Mississippi River. All members shall be experienced in the commerce or industry, or both of the Port Area, and shall otherwise possess the qualifications prescribed by law. The present members, five in number, shall continue to serve on the said Board for the duration of their respective terms, and any vacancies in the membership of the Board hereafter occurring by reason of expiration of the terms for which appointed, or by reason of death, resignation or otherwise, shall be filled by the Governor of the State within fifteen (15) days after receipt by him of the names of and from the nominees submitted to him in the following manner:

TO BE RETAINED IN CONSTITUTION. Consolidation and clarification of structure of Board and nominating procedures.

The Board of Commissioners of the Port of New Orleans shall be composed of five members, who shall serve without compensation, and who shall be qualified voters residing and having their principal place of business within the territorial limits of the Port, and there shall be at all times at least one member who resides and has his principal place of business in the parish of Jefferson, one member who resides and has his principal place of business in the parish of Orleans, and one member who resides and has his principal place of business in the parish of St. Bernard. All members shall be experienced in the commerce or industry, or both, of the port area, and shall otherwise possess the qualifications prescribed by law. The present members, five in number, shall continue to serve on said Board for the duration of their respective terms, and any vacancies in the membership of the Board hereafter occurring by reason of expiration of the terms for which appointed, or by reason of death, resignation or otherwise, shall be filled by the Governor of the State in the manner hereinafter provided. Nominees to the Governor for appointment of members to said Board shall be chosen in accordance with the procedures prescribed by law and in the following manner:

#### (a) - Nominating Organizations

For the purpose of selecting nominees, the following seven organizations shall constitute, and for the purpose of this amendment, shall be known as the Nominating Organizations:

1. Chamber of Commerce of the New Orleans Area,
2. New Orleans Board of Trade,
3. New Orleans Clearing House Association;
4. St. Bernard Council of the Chamber of Commerce of the New Orleans Area.
5. West Bank Council and East Jefferson Council of the Chamber of Commerce of the New Orleans Area (acting as one nominating organization),
6. New Orleans Steamship Association, and
7. International House New Orleans-Gitton-beverage

The aforesaid Nominating Organizations shall each choose two nominees having the qualifications hereinabove set forth for each vacancy occurring on said Board, and shall submit the names of such nominees in writing to a committee to be known as the Nominating Council, comprised of the Presidents or recognized executive heads of said Nominating Organizations. Said Nominating Council shall select three nominees from among those names submitted to it by the Nominating Organizations and shall certify the names of the three nominees selected to the Governor of the State. The Governor shall, within fifteen (15) days after receipt by him of and from the nominees submitted to him by the Nominating Council appoint a member to fill each vacancy.

#### (b) - Nominating Council

The Presidents or recognized executive heads of said Nominating Organizations shall constitute and form a committee to be known as the Nominating Council.

#### (c) - Selection of nominees

Nominees to the Governor for appointment to the said Board shall be selected and named by the Nominating Organizations in the following manner, to-wit:

#### (1) - Notice of vacancy.

Within ten (10) days after the effective date of this amendment, or of the occurrence of a vacancy on said Board from any cause, the president or other presiding officer of said Board, shall address a communication by Registered United States Mail to each of the Nominating Organizations notifying them of the vacancy.

#### (2) - Nominees submitted by nominating organizations.

Within ten (10) days after notification of a vacancy or vacancies the Chamber of Commerce of the New Orleans Area shall submit in writing to the members of the Nominating Council the names of two persons having the qualifications hereinabove set forth as nominees for each such vacancy or vacancies. Thereafter the remaining Nominating Organizations, in the order hereinabove named and within intervals of five days each, shall consecutively submit the names of two nominees for each existing vacancy in like manner as above, except that no person shall be eligible for nomination if previously nominated by another Nominating Organization. In all cases, signed copies of the communications to the Nominating Council transmitting the names of the nominees shall be sent to the governing bodies of the other Nominating Organizations.

#### (3) - Certification to governor.

As soon as the names of the said seven organizations will have been received, or in any event within ten days after the last day for the communication of such nominees will have expired, the said Nominating Council at a meeting convened on the written call of any member thereof shall certify to the Governor of the State for each vacancy (a) the names of three nominees from among the nominees that will have been submitted to it by each of the seven organizations as will have submitted nominees and from

among the nominees thus certified the Governor shall make appointments to fill the vacancy or vacancies.

Transfer to Statutes.

**(e) Nominating organizations; identity.**  
-- The seven organizations referred to in paragraph (a) above shall be understood and construed to be the seven organizations presently existing by the designated names of their respective legal successors.

TO BE RETAINED IN CONSTITUTION

**(h) Disolution of nominating organizations; effect.**  
If any one or more of the seven organizations referred to in paragraph (a) above shall cease to exist or to function, without any legal successor, then the nominees shall be submitted to the Nominating Council, as provided in paragraph (a) above, shall nevertheless be submitted by such of said Organizations as shall continue to exist and function.

Transfer to Statutes

**(i) Minimum number of nominees.**  
In the event that said seven organizations or their successors or the remainder of them, shall, at any time when called upon, submit less than three nominees to the Nominating Council for any vacancy as provided in Paragraph (f) above, the said Nominating Council itself shall supply such deficiency, so as to enable it to certify the three nominees to the Governor as provided in Paragraph (f) above.

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**(j) Delayed certification; appointment.**

In the event that, for any reason, the said Nominating Council shall fail to certify to the Governor the three nominees as provided in Paragraph (f) above, within one hundred and twenty (120) days after the expiration of the term of any member of the Board, or the occurrence of a vacancy on the Board from any other cause, the Governor shall have the right and it shall be his duty to proceed forthwith to make an appointment to fill such vacancy.

TO BE RETAINED IN CONSTITUTION

**Term of appointment; filling unexpired term; reappointment.**

Any succeeding member appointed to fill the term of a member leaving the Board, before the expiration of the term to which he shall have been appointed, shall be appointed to fill the unexpired term of such retiring or deceased member. All members appointed to the Board shall be appointed for a term of five years. No member of said Board shall be eligible to succeed himself unless the unexpired term which he will have been appointed to fill has less than two years to run.

**Service until successor qualified**

Members shall continue to serve until their successors have been appointed and duly qualified.

**Incompatible offices.**

No member of said Board shall hold any office in any political party or other political organization, nor shall he hold any public office or employment for compensation, existing under or created by the laws of the United States, the State of Louisiana, or any municipality or subdivision thereof.

**Confirmation; removal.**

Any and all appointments of members of the Board of Commissioners of the Port of New Orleans shall be made by the Governor as hereinabove provided and without the advice or consent of the Senate, or confirmation by the Senate. No member thus appointed shall be removed except for cause on charges preferred against him in writing by the Attorney General of the State, and after public hearing and proof of the sufficiency of said charges to justify his removal, before a court of competent jurisdiction.

Each member of the Board of Commissioners of the Port of New Orleans shall be appointed by the Governor, one to be appointed by the Governor and to be appointed by the President of Tulane University of Louisiana, and one to be appointed by the President of Loyola University in New Orleans, provided that any member so removed shall have the right to test the sufficiency of said charges and of the evidence in support of same in the courts.

- 4 -

**Managerial Powers.**

The Board of Commissioners of the Port of New Orleans shall have power to organize or reorganize the legal, executive, engineering, clerical and other departments and forces of said Board, and to fix the duties, powers and compensation of all officers, agents, and employees in such departments, excepting, however, such civil service requirements as may be established by State Law.

This constitutional amendment shall be self-executed and shall not require any supplemental enabling legislation.

Deleted.

TO BE RETAINED IN CONSTITUTION. Consolidation and clarification of existing powers

The Board of Commissioners of the Port of New Orleans shall have the sole power of organization, and of control of all departments, without exception, of the said Board, subject, however, to civil service requirements as established by State law. These powers shall include, but not be restricted to, the accounting methods, business procedures, fiscal affairs and revenues of the said Board. It shall be the sole judge of the investment of its funds. These powers shall not require any further enabling legislation.

ARTICLE VI, SECTION 46-

POWERS; BORROWING; LIMIT ON INDEBTEDNESS; NAVIGATION CANAL

Section 16-

**Powers and authority.**

-- The Board of Commissioners of the Port of New Orleans shall, except as herein otherwise changed and amended, have and exercise all power now conferred upon it by the Constitution, and such other authority as may be conferred by the Legislature.

Deleted.

**Borrowing; issuance of notes and bonds.**

-- Said Board may, without further legislative enactment, borrow money and issue notes and bonds under the following conditions and not otherwise: It may, with the approval of the Governor and the Auditor of the State, for its public purposes, borrow on notes for temporary loans, payable within one year, an amount not exceeding five hundred thousand (\$500,000.00) dollars at any one time outstanding, and may in addition borrow money in anticipation of the collection of charges for wharfage, tollage, storage service and other charges which have been actually earned, but have not yet been received, and said Board may borrow from any person or corporation using a dock or warehouse such sums as shall be necessary to improve the same according to plans and specifications approved by the board and may erect or construct such improvement, and agree that the loan therefor shall be liquidated by deducting from the dockage, wharfage or tollage charges payable for such property, or percentage thereof to be agreed on. With the approval of the Governor of this State, it may for public purposes other than the payment of current expenses or the funding of indebtedness incurred, or to be incurred for current expenses, borrow

Deleted.

- 5 -

money and issue bonds to the amount of six million five hundred thousand dollars (\$6,500,000.00). Said Board may, with the approval of the Governor and for the purposes, but subject and in the same and same limits in the manner following: When the Board shall have ascertained and certified in writing to the State Auditor or the Supervisor of Public Accounts the amount of revenue and income of the Port for the two fiscal years immediately preceding, after deducting therefrom the amount of operating and maintenance charges and expenses and all sums payable during said year upon outstanding principal and interest of its bonded debt, and the State Auditor or the Supervisor of Public Accounts shall have verified and approved said certificate, the Board may borrow money and issue bonds to an amount the annual interest upon which, in and in excess of the average net revenue for the two fiscal years immediately preceding as shown by said certificate. The Board may submit such net revenues of the preceding fiscal years as certified to the State Auditor or the Supervisor of Public Accounts to the net income and revenues for such years of any revenue-producing wharf, dock, warehouse, elevator or other structures to be acquired by said Board by purchase or appropriation from proceeds of such bond issue. The net revenues and income of such revenue-producing utility shall be determined and certified to the Board and approved by the State Auditor or the Supervisor of Public Accounts. Said Board may also, with the approval of the Governor, issue revenue and income bonds to refund bonded indebtedness the interest on which or hereafter to be incurred and maturing not later than one year from the date of such maturity. All bonds issued under the foregoing provisions, except as otherwise expressly provided, shall not mature prior to five years from date, and the interest on such bonds, payable in annual installments, shall amount to not more than 4 1/2% years from date, to amount payable each year for principal and interest to be as nearly equal as practicable but annual installments of principal may be fixed at five times and interest, to maturity, to be equal multiple thereof. Defaulting bonds issued hereunder shall be payable in annual installments commencing not more than one year from date. All of the said bonds shall have the same exemption from taxation, and the same privileges of registration and release from taxation and the same eligibility for deposit with the State as the officers or members of the political subdivisions or money market, as was granted by Article 32 of the Constitution of 1922 to the bonds therein authorized. Trusts of income and estates of trustees shall be authorized to invest the funds in their hands in any of such bonds.

Deleted.

**Bonds; interest; limit on indebtedness.**

-- No bonds shall be sold for less than par and accrued interest or less in greater rate of interest than six per centum per annum, payable annually or semi-annually, nor shall

Deleted.







ARTICLE XIV, SECTION 30

IMPROVEMENTS BY RIPARIAN OWNERS IN CITIES OVER 5,000 OR WITHIN PORT OF NEW ORLEANS; EXPROPRIATION; JUST COMPENSATION.

Section 30.

Riparian owners of property on navigable rivers, lakes or streams within the limits of the port of New Orleans or within a municipality having a population in excess of five thousand (5,000) inhabitants, shall have the right to erect and maintain on the hatterre or banks owned by them, such wharves, buildings or improvements, as may be required for the purposes of commerce, navigation or other public purposes; provided, however, that where such owners have first obtained the consent of the governing authority of the port of New Orleans, or of the municipality as the case may be, to erect such wharves, buildings, or improvements, and same are erected in conformity to plans and specifications that have been approved by such governing authorities, such owners shall be entitled to claim just compensation for, and the said governing authorities may expropriate, said wharves, buildings or improvements whenever said improvements or the riparian front shall be required for public purposes, but where such consent and approval is not obtained no compensation shall be allowed. In all cases such wharves, buildings or improvements shall remain subject to the administration and control of the governing authorities with respect to their maintenance and to the fees and charges to be exacted for their use by the public. Nothing herein shall deprive the levee boards of their authority with respect to levees in their respective districts or their right to appropriate, without compensation, such wharves, buildings or improvements.

TO BE RETAINED IN CONSTITUTION, for protection of property rights of riparian owners.

ARTICLE XIV, SECTION 31.7

NEW ORLEANS, VEHICULAR AND/OR PEDESTRIAN CROSSING OVER OR UNDER INNER HARBOR NAVIGATIONAL CANAL

Section 31.7-

(A) - Notwithstanding any other provisions of the Constitution and statutes of this State and in addition to the powers it may now have, the City of New Orleans is hereby authorized and empowered to acquire, construct, operate and maintain a vehicular and/or pedestrian crossing over or under the Inner Harbor Navigation Canal in the City of New Orleans or within one mile of its entrance into Lake Pontchartrain, together with all necessary approaches thereto and appurtenances therefor (hereinafter referred to as "Project") and is further empowered and authorized to acquire by purchase, lease, contract, exchange, expropriation, donation or otherwise, all such lands, easements, other property or rights in property as may be necessary or desirable for the construction, maintenance and operation of the Project. The State of Louisiana, through its Department of Highways, The Orleans Levee District and the Board of Commissioners of the Port of New Orleans or any one or combination of them, are hereby authorized

Deleted.

and empowered to participate with and assist the City of New Orleans in the acquisition, construction, operation and maintenance of the Project, and to enter into such contractual arrangements with the City and each other as may be desirable or necessary to enable the Project to be undertaken and completed.

(B) - To provide funds for the capital Project, the City of New Orleans, The Orleans Levee District and the Board of Commissioners of the Port of New Orleans are hereby authorized to budget and appropriate out of their general revenues or from the proceeds of the sale of bonds that such agencies are now authorized to issue such sums as may be agreed upon by each of said bodies and they may dedicate, use and employ the moneys so budgeted and appropriated for the Project. The contracting by any of the aforesaid bodies to appropriate and dedicate a sum of money for the benefit of the Project and the pledging by said bodies of the sum so dedicated to the payment of any obligations issued pursuant to this Section shall not constitute or be deemed to be the issuance of bonds or the incurring of indebtedness by said bodies, and such contracts and such pledges shall not constitute or be deemed to be bonds or other indebtedness of said bodies, within the meaning of any constitutional, statutory or charter limitations or restrictions upon the amount of bonds or other indebtedness which may be issued by said bodies or which said bodies may at any time have outstanding or be liable for; and such contracts may be entered into and such pledges may be

Deleted.

made without regard to any such constitutional, statutory or charter limitations or restrictions, other than the restrictions contained herein; provided, however, that the yearly amount appropriated and dedicated by the Board of Commissioners of the Port of New Orleans shall be considered by said Board to be a sum payable during such year upon maturing principal and interest of its bonded debt for the purpose of ascertaining and certifying to the Comptroller or the Supervisor of Public Funds the amount of revenue and income of the Port pursuant to Section 11 of Article 11 of the Constitution. The State of Louisiana, acting through its Department of Highways, shall also have the right to appropriate, allocate and dedicate moneys from any available source to aid in the Project upon such conditions and at such terms as the Department of Highways may deem advisable considering its other contractual obligations and the benefits of the Project to the State Highway and Parish road systems.

(C) - The City of New Orleans is hereby authorized to issue its general obligations bonds under the provisions of Act 4 of 1916 as amended for its portion of the cost of constructing the Project and the cost of acquiring all such lands, easements or other property or rights in property as may be necessary or desirable for the construction, maintenance and operation of the Project.

(D) - All powers and authority granted to the said governmental bodies or their governing authorities shall be deemed to include their successors in law.

ARTICLE XVI, SECTION 7(c)

LAKE PONTCHARTRAIN SANITARY DISTRICT

Section 7(1)

There is hereby created a Sanitary District, comprising the Parishes of St. Charles, Jefferson and Orleans, under the name of Lake Pontchartrain Sanitary District, which shall be governed by a Board of eleven members, one of whom shall be designated by the Police Jury of the Parish of St. Charles; one by the Inhibition Drainage District to be organized in St. Charles Parish; one by the Police Jury of the Parish of Jefferson; one by the Fourth Jefferson Drainage District; one by the Louisiana State Board of Health; two by the Sewerage and Water Board of New Orleans; one by the Commission Council of the City of New Orleans; two by the Board of Levee Commissioners, Orleans Levee District; and one by the Board of Port Commissioners of the Port of New Orleans. In the event of failure to appoint for any cause, or in the event of a vacancy for any cause, such members as have been appointed shall constitute said Board with all its rights and powers, until said appointment is made or until such vacancy is filled.

Deleted.

The respective members of said Board shall be subject to change as the said respective appointing bodies may determine.

In order to prevent the pollution of the waters of Lake Pontchartrain, the said Sanitary District shall be authorized and empowered to adopt rules and regulations governing the discharge of drainage, sewerage and trade waters into Lake Pontchartrain and into channels which empty into Lake Pontchartrain, within the limits of the aforesaid Parishes.

The person designated by the State Board of Health shall be Chairman of the Board, the Attorney General of the State shall act as the legal adviser of the District. The domicile of the District shall be in the City of New Orleans.

The Sanitary District shall have the power to adopt rules and regulations, and to enforce the same by injunction or mandamus in any Court of competent jurisdiction.

The Board of said Sanitary District shall meet upon call of the Chairman of the said Board or at the written request of three members thereof, and shall report to the Governor annually, and to the Legislature with such recommendations for legislation that it may deem advisable.

The Legislature may confer on said Sanitary District such other, further and additional powers as said Legislature may deem necessary to effect the purpose of this clause.

# APPENDIX II

## CONSTITUTIONAL PROVISIONS REPEATED VERBATIM IN THE STATUTES OR REPEATED IN SUBSTANCE

### Constitutional Provisionsa

#### Article IV. Limitations

- Section 2: Public debt; observation of public lands; reservation of mineral rights; mineral leases; royalty, road fund; parish road bonds.
- Section 2(a): Board of Liquidation of state debt; bonds; public works
- Section 12: Loan or pledge of public credit; relief of destitute; donations; transfers of property

#### Article VI. Administrative Officers and Boards

- Section 16: Rights and powers of Board of Commissioners of the Port of New Orleans; issuance of bonds
- Section 16(2): Powers of board; organization of industrial districts
- Section 16(3): Powers of board; continuing authority
- Section 17: Members of board; appointment; term; removal

- (a) Constitutional section titles are used except where the committee's jurisdiction extends only to a limited aspect of a section, as indicated by material enclosed in parentheses.

### Statutory Provisionsb

- Part of Section 2 repeated in substance - road fund; eminent right (R.S. 30:136)
- Part of Section 2(a) repeated in substance - Board of Liquidation (R.S. 30:121)
- Part of Section 12 repeated in substance - donations to U.S. for certain purposes (R.S. 52.2)
- Part of Section 16 repeated in substance (R.S. 34:21 et seq.; 34:338.3)
- Repeated in substance (R.S. 34:41-44)
- Repeated in substance (R.S. 34:44)
- Repeated in substance (R.S. 34:1; 34:2)
- (b) Substantively the same as the constitutional provision; verbatim only where noted.

CLP-1

Constitutional Provisions

Statutory Provisions

Article VI. Administrative Officers and Boards

Section 24: Finances construction of Chef Menteur and Hammond Highways

(Act incorporated into constitution) Acts 1918, Ex. Sess., No. 18

Section 29: Creates Baton Rouge Port Commission

Verbatim except for minor capitalization, treatment of numerals; and reference to "This Chapter." R.S. 34:1222; 1223(A-E); 1224; 1225)

Section 31: Creates 7-member Greater Ouachita Port Commission

[(R.S. 34:1401 outdated by constitutional amendment of 1968); 34:1402 substantially Art. 6, Sec. 31(D); 34:1403 substantially Sec. 31(E)-(I); 34:1405 substantially Sec. 31 (P)]

Section 33: Creates 7-member Lake Providence Port Commission

R.S. 34:1501-1506 verbatim; R.S. 34:1507 verbatim except for citation error in constitution

Section 33.1: Creates 9-member South Louisiana Port Commission

Statute not in constitution - concerns acquisition of industrial property.

Section 34: Creates Concordia Parish Port Commission

Verbatim - except for wrong citation in constitution (correct in 34:1857) R.S. 34:1851-1857)

Section 35: Creates Avoyelles Parish Port Commission

Verbatim - except for wrong citation in constitution (correct in 34:1807) (R.S. 34:1801-1807)

Constitutional Provisions

Statutory Provisions

Article VI-A..	Gasoline Tax for Ports	
Section 1:	Motor Fuel Tax Exemptions and exclusions	Substantially VI-A, Sec. 1; (R.S. 47:712-714)
Section 2:	Dealers; persons taxable; definition	Substantially R.S. 47:712
Section 14:	Exemptions	Verbatim with R.S. 47:715
Article IX.	Removal from Office	
Section 9:	Recall	Repeated in substance (R.S. 42:341 et. seq.)
Article X.	Revenue and Taxation	
Section 1:	Reforestation; valuation agreements; severance tax.	Part of Section 4 repeated in substance (R.S. 56:1541; 47:631)
Section 4:	Tax exemptions - public property	Part of Section 4 repeated in substance (R.S. 47:2114)
Section 21:	Severance tax on natural resources; parish or other local subdivision prohibited from levying tax.	Part of Section 21 repeated in substance (R.S. 47:631-632; 47:643; 47:645-646)
Article XIV.	Parochial and Municipal Affairs	
Section 2:	Change of parish lines or remand of seat; election.	Repeated in substance (R.S. 33:141; 33:145)

CLP-3

Constitutional Provisions

Statutory Provisions

Article XIV. Parochial and Municipal Affairs

Section 6:	Parishes may acquire property for navigation canals.	Substantially duplicated (R.S. 34:361)
Section 10:	Municipal consolidation; special taxes	Repeated in substance (R.S. 33:191-204)
Section 11:	Parochial tax limits; tax for municipal, district and parish fairs	Repeated in substance (R.S. 33:2803; 33:2701,2702)
Section 12:	Municipal tax limits	Repeated in substance (R.S. 33:2801)
Section 18:	Power to own and operate municipal ice factories to municipalities	Repeated in substance (R.S. 33:4161,4162)
Section 19:	Special tax to aid public utilities; elections.	Repeated in substance (R.S. 39:781)
Section 29:	Zoning ordinances. Authority; municipalities; airport zones	Repeated in substance (R.S. 33:4721,4722; 2:381)
Section 30:	Improvement by riparian owners in cities over 5,000 and within New Orleans	Substantially duplicated; statute refers only to New Orleans (R.S. 34:21)
Section 30.1:	Authority to create port, harbor, and terminal districts	
Section 30.2:	Lake Charles Harbor and Terminal District created	(R.S. 34:201 et. seq.; 34:202 substantially duplicates statute)

Constitutional Provisions

Statutory Provisions

Article XIV. Parochial and Municipal Affairs

Section 30.3: Navigation and River Improvement Districts  
creation authorized

Substantially duplicates financial limitations on such  
districts enumerated in constitution (R.S. 34:409)

Section 30.4: Navigation and River Improvement Districts'  
effect on Levee Boards

Section 36: Jefferson Parish; community center and  
playground districts; bonds

Constitution substantially duplicates Section 11 of Act  
[Acts 1946, No. 285 (special and local)]

Section 39.1: Calcasieu parish; community center

Constitution substantially duplicates Sections 1,8,11  
[Acts 1948, No. 82 (special and local)]

Article XV. Drainage Districts

Section 3: Bayou Lafourche fresh water district

Constitution substantially duplicates Act [Acts 1950,  
No. 113 (special and local)]

# APPENDIX III

APPENDIX IV

BENTON, BENTON, BENTON & DOOSON

A PROFESSIONAL LAW CORPORATION  
801 ST. FERDINAND STREET

BATON ROUGE, LOUISIANA 70801

TELEPHONE (804) 342-8238

April 23, 1973

FRED G. BENTON, SA  
FRED G. BENTON, JR.  
THOMAS H. BENTON  
RICHARD J. DOOSON

STATEMENT OF THE LAKE PROVIDENCE PORT COMMISSION SUBMITTED TO THE COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT, STATE OF LOUISIANA, CONSTITUTIONAL CONVENTION OF 1973

Gentlemen:

The Lake Providence Port Commission is a non-budget agency of the State of Louisiana, a branch of the Executive Department, created in 1958 under authority of Article VI, Section 33, Louisiana Constitution of 1921 and Chapter 11, Title 34, Louisiana Revised Statutes of 1950.

Four Commissioners are appointed by the governing authority of East Carroll Parish; two are appointed by the governing authority of the Town of Lake Providence and one is elected by the appointed Commissioners at their initial meeting.

Vacancies on the Commission are filled in the same manner as the original appointment. Commissioners serve for a term of six years.

Commissioners receive no remuneration. Reasonable travel allowance is permitted.

The Commission is responsible for the construction and maintenance of port facilities and exercises its statutory powers within the port area consisting of the entire parish of East Carroll.

The Commission may employ such officers, or agents and employees as it may find necessary in the performance of its duties and may prescribe the duties, powers and compensation of such officers, agents and employees.

The Commission's principal duties and powers are: To regulate the commerce and traffic within the port area; have charge of and administer public wharves, docks, sheds and landings; to maintain water depths; to provide police protection; to maintain and operate basins, locks, canals, warehouses and elevators; to establish fees, rates and tariffs; to establish harbor lines; to own and operate terminal rail facilities; to make and enter into leases, contracts and other agreements; to expropriate.

The Commission is supported by a voted 2-1/2 mill ad valorem tax on the dollar of real valuation of all taxable property in East Carroll Parish plus income generated from port operations and facilities.

Title to all property and improvements operated by the Commission is vested in the State of Louisiana.

The Commission, with the approval of the Board of Liquidation of the State Debt, is authorized to incur debts for its lawful purposes and to issue in its name negotiable bonds or notes therefor, and to pledge for the payment of the principal and interest of such negotiable bonds or notes the revenues derived from the operation of properties and facilities maintained and operated by it, or received by the Commission from any taxes authorized; provided, however, that the amount of such bonds or notes outstanding at any one time shall not exceed fifteen million dollars.

Such bonds when authorized to be issued shall constitute, first, a general obligation of the Commission, and secondly, the full faith and credit of the Parish of East Carroll and the State of Louisiana are pledged.

The Lake Providence Port Commission prefers that the powers and authority of said Commission be retained in the proposed new Louisiana Constitution virtually as presently provided.

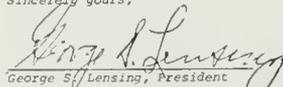
We would strongly recommend that any new legislative enactment contain provisions protecting those port commissions which now have constitutional authority to issue bonds backed by the full faith and credit of the State of Louisiana.

We would further recommend that an additional provision be added to the legislative enactment requiring a two-thirds vote of the legislature in order to amend or repeal this act in whole or in part.

We understand that there is some uncertainty as to the authority of port commissions to issue revenue bonds for construction of an industry which might not be "port related".

Therefore, we further recommend that the Lake Providence Port Commission's constitutional powers be specifically expanded to provide that it may acquire by purchase, lease or other methods industrial plant sites and to construct industrial plants and buildings with requisite manufacturing and processing machinery and equipment. The Commission shall have full authority to lease such sites, plants, buildings, machinery and equipment for use and operation by private enterprise as an additional source of revenue to the Commission and economic improvement of the community and state.

Sincerely yours,

  
George S. Lensing, President  
LAKE PROVIDENCE PORT COMMISSION

Mr. Shalan Perez, Chairman  
Constitutional Convention  
Box 44473  
Baton Rouge, Louisiana 70804

Dear Mr. Perez:

Several days ago, my office mailed you a memorandum pertaining to the Lake Charles Harbor and Terminal District. You may recall that Bob McHale and I were before your Committee several weeks ago, and at that time it was agreed, as I think was true in respect to others who were appearing there that day that the statement I sent you would be furnished within thirty days.

In respect to the three sections of the Constitution dealt with therein, Article XIV, Section 1, Article XIV, Section 2, and Article 6-A, Paragraph 5, Sub-Paragraph (b), we are convinced that under the present Constitution as well as under the established law of the State these concern phases of Lake Charles and some of the other port authorities that must originate, and thus apparently must be retained now in the Constitution.

For example, Section 30, paragraph 1 not only deals with a great number of ports and is the basic authorization for the statutory law, L.R.S. 34:201, et seq., as to Lake Charles, but provides for imposition of a property tax and the issuance and sale of property bonds.

Section 30, paragraph 2, ratifying the statutory law and providing the method for the appointment of the Commissioners is of the essence and represents a method for the organization of the district that has been affirmed not only by the Louisiana Supreme Court but by the United States Supreme Court, as is shown in our statement.

Article 6-A, paragraph 5 is the constitutional provision which levies the State gasoline tax.

Mr. Shalan Perez

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April 23, 1973

The growth demands of the Lake Charles Port shown a little more in detail in the statement has required the creation of a bonded indebtedness in a relatively large amount involving property bonds as well as revenue certificates, and directly involving the statutory existence of the three provisions in question.

To keep pace with what is happening other such items are contemplated so that the whole present and future financial structure of the Port must depend on these three constitutional provisions. Detailed data as to this financial structure can be furnished, if needed, as well as economic data to show that what the Port is actually contributing in wealth to Louisiana in its favorable competitive position with the Texas ports as to our own agricultural products is contributing more than \$25 million dollars yearly to the wealth of Louisiana.

Mr. Bob McHale, who is the regular attorney for the Port, and I have collaborated in the preparation of this data, and final preparation on my part was necessary in view of the time element. We are both prepared to make further presentations, or indeed, if the writing staff should desire it, we are prepared to make suggestions as to the most direct and simplest way in our own opinion as to what the new constitution provision or provisions should be.

The fourth item, Article XIV, Section 31, empowers ports to issue industrial bonds related to port developments, also vitally involving the growth need of all of the ports.

There would be a question in our mind as to whether this provision requires constitutional authorization, as Article XIV, Section 14(b,2) and (b,3) that doubtless will be retained in the Constitution may bring such law within the province of legislation.

The question here arises as to how the Convention is to deal with a situation like this where the subject matter is susceptible of an adequate legislative enactment where apparently the Convention is not to deal with legislation. Doubtless this point may simply be covered by the Convention by maintaining the full force and effect of the present constitutional provision until in due time it can be enacted by the Legislature.

If we can be of further help, please call on us, as we realize what a whale of a job all of you have, and we are very anxious to do whatever we can to expedite your responsibility.

Sincerely yours,  
*[Handwritten Signature]*  
Fred G. Benton, Sr.

FGBSr/b

cc: Mr. Robert M. McHale  
P. O. Box 1591  
Lake Charles, Louisiana

MINUTES

Minutes of the meeting of the Subcommittee on Special Districts; Transportation, Ports, and Harbors of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 28, 1973

State Capitol, Committee Room 211  
Baton Rouge, Louisiana  
Saturday, May 5, 1973, 10:00 a.m.

Presiding: Terry R. Reeves, Chairman, Subcommittee on Special Districts; Transportation, Ports, and Harbors

Present: Terry R. Reeves  
Harvey Cannon, Jr.  
George Dewey Hayes  
Ethan J. Chatelain  
Frank Ullo

Chairman Reeves called the meeting to order, and the secretary read the minutes of the subcommittee meeting of April twenty-seventh and twenty-eighth. Mr. Chatelain moved that the minutes be adopted as read, and the chairman so ordered.

The chairman read Staff Memorandum No. 10, a copy of which is attached hereto and made a part of these minutes.

It was decided that Article VI, Section 27 of the present constitution, be removed and placed in the statutes.

Mr. Fred Benton, Sr., and Attorney Robert McHale, representing the Lake Charles Harbor and Terminal District, were introduced. Mr. Benton advised the subcommittee as to the various functions of the port.

Throughout the discussion, the port recommended that Article XIV, Sections 30.1 and 30.2, and Article VI-A, Paragraph 5, Subparagraph (b) be retained in the constitution. However, he stated that Article XIV, Section 31 could be deleted. Discussion ensued concerning these recommendations, and it was decided that the subcommittee would delay taking action on this port until more information was obtained.

Mr. Charles W. Herbert, executive director of the Greater Baton Rouge Port Commission, was introduced and read a report to the subcommittee, a copy of which is attached and made a part of these minutes.

Mr. George Mathews, attorney for the port commission, agreed with Chairman Reeves when asked if he would concede to a general provision concerning port authority for expropriation.

Chairman Reeves stated that the subcommittee was not planning to take action on the port at this time, and would appreciate any written recommendations the port commission might wish to present.

The subcommittee recessed for lunch at 12:00 noon.

The chairman called the meeting to order at 1:00 p.m.,

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and opened discussion concerning Moisant Airport. After considerable discussion, Dr. Ullo offered a motion that Article XIV, Section 31.6 be deleted and placed verbatim in the statutes of the Louisiana Legislature. With no objection, the motion passed.

The chairman then directed the subcommittee to review Staff Memorandum No. 14, a copy of which is attached hereto and made a part of these minutes. He stated that it was the oral opinion of the attorney general's office that it would not adversely affect the contract between Texas and Louisiana if this section is deleted from the constitution and placed in the statutes. However, it was decided to delay action on this matter until the next meeting of the subcommittee.

Mr. Carriere presented a report to the subcommittee concerning the Port of New Orleans; copies of this material is attached hereto and made a part of these minutes. Dr. Ullo stated that something must be done to rectify this inequity. He stated that Jefferson Parish and St. Bernard Parish wanted equal representation on the Board of Commissioners of the Port of New Orleans. After considerable discussion, the subcommittee decided to delay taking action on the port until further information and testimony could be obtained.

The subcommittee adjourned at 3:30 p.m.

Terry R. Reeves, Chairman  
Subcommittee on Special Districts

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**NOTES**  
Staff Memo No. 10 is reproduced in Chapter II, below.

[Statement of Charles W. Herbert]

WHILE THE GREATER BATON ROUGE PORT COMMISSION IS AN EXECUTIVE

DEPARTMENT OF THE STATE OUR FUNCTION IS NOT SIMILAR TO OTHER STATE AGENCIES OR DEPARTMENTS.

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

OUR BOARD IS COMPRISED OF TEN MEMBERS ALL SERVING WITHOUT PAY BUT HAVING THE INTEREST AND AUTHORITY TO SET POLICY AND MAKE DECISIONS AS NECESSARY.

THERE ARE NUMEROUS INSTANCES WHERE WE ARE FACED WITH EMERGENCIES, SUCH AS DAMAGE TO OUR DOCKS OR FACILITIES, THAT DEMAND IMMEDIATE DECISIONS.

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

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

SINCE 1956 OUR PORT HAS EXPANDED AT A FANTASTIC RATE WITH OUR EXPENDITURE ON FACILITIES INCREASING FROM 12½ MILLION DOLLARS TO SOME 48 MILLION DOLLARS. ALL OF OUR FACILITIES ARE BEING WORKED TO CAPACITY. WE HAVE GROWN TO BE THE THIRD LARGEST PORT ON THE GULF AND SEVENTH IN THE NATION.

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

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

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

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

#### NOTES

Staff Memos Nos. 13 and 14 are reproduced below in Chapter II.

#### HISTORICAL NOTE

The Board of Commissioners of the Port of New Orleans was created pursuant to Acts of the General Assembly of 1896, No. 70. The law-making body of Louisiana amended that original Act on numerous occasions; and the Louisiana Constitution also

produced many changes in the original Act. The Louisiana Revised Statutes of 1950, Title 34, Section 1, et sequitur, repealed Acts 1896, No. 70, as amended and reenacted and reorganized the entire statutory body of the law pertaining to the establishment, organization and government of the Board of Commissioners of the Port of New Orleans.

The original of Acts 1896, No. 70, is reproduced below for historical purposes only.

"To establish a commission for the Port of New Orleans; to define their powers and duties; to provide a revenue therefor; and to repeal conflicting laws.

Whereas, the Port of New Orleans, has been gradually extended until it has reached beyond the limits and jurisdiction of the City of New Orleans; and

Whereas, the divided authority of three Parishes and the multiplicity of officials with their various fees, and the development of contiguous rival Ports will act injuriously and prejudicially to the traffic of the Port; and

Whereas, the tax on shipping exacted for various fees, charges, etc., is of such proportions as to threaten to divert the trade to less expensive ports; and

Whereas, the supervision and control of an intelligent Board of State Commissioners can consolidate the services of Harbor Masters and Wardens, Wharf Superintendents, Wharfingers of three Parishes into one set of competent employees at a reduced expense; can operate and improve the wharves and other terminal facilities of the Port and greatly develop and expand its commerce by removing many of the obstacles now placed in the way of its advancement; and

Whereas, due public notice of the intention to apply for the passage of this act has been given as required by Article 48 of the Constitution, Therefore

Section 1. Be it enacted by the General Assembly of the State of Louisiana, That the Governor of the State of Louisiana is hereby authorized to appoint a Board of Commissioners to be known as the "Board of Commissioners of the Port of New Orleans," said Board to consist of Five members, who shall be citizens of the United States and reside within the Port limits of New Orleans in the Parishes of Orleans, Jefferson, or St. Bernard, and at the time of their appointment must be prominently identified with the Commerce or business interest of the Port of New Orleans. One of said commissioners shall be appointed for a term of three years, one for four years, one for five years, one for six years and one for seven years. At the expiration of their term their successors shall be appointed by the Governor for a period of five years each. The Board shall have the power to fill the unexpired term should any vacancy occur through death, resignation or other cause.

Section 2. Be it further enacted, etc., said Board of Commissioners shall have power to regulate the commerce and traffic of the Harbor of New Orleans in such manner as may in their judgment be best for its maintenance and development.

#### MINUTES

Minutes of the meeting of the Subcommittee on Special Districts: Transportation, Ports, and Harbors of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

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

State Education Building  
Baton Rouge, Louisiana

Tuesday, May 15, 1973, 9:00 a.m.

Presiding: Terry Reeves, chairman of the Subcommittee on Special Districts: Transportation, Ports, and Harbors

Present: Frank Ullo  
Harvey Cannon  
Ethan Chatelain  
George Dewey Hayes

Absent: NONE

Quorum Present

The Subcommittee on Special Districts: Transportation,

Ports, and Harbors of the Committee on Local and Parochial Government met in a one-day session at the State Education Building on Tuesday, May 15, 1973. The chairman called the meeting to order at 9:00 a.m., noting that a quorum was present.

A general discussion was held on the Sabine River Authority with the final conclusion being that the committee

With no objection, the chairman so ordered, and the meeting adjourned at 11:50 a.m. on May 15, 1973.

  
Terry Reeves, chairman

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would hold any action until Mr. Fred Benton, Jr. makes his presentation before the committee. The chairman also directed the staff to research the area of water rights and how it would affect the removal of the Sabine River Authority from the constitution.

At this time a presentation was given by four gentlemen representing Jefferson Parish concerning the Port of New Orleans. The names of the gentlemen and their positions are as follows:

- Mr. Charles Wall - Member of the Jefferson Parish Port Commission
- Mr. John F. Rau, Jr. - Former member of the Legislature
- Mr. Rudy Eason - Parish attorney for Jefferson Parish
- Mr. James Arceneaux - Parish attorney for Jefferson Parish

The proposal given included the powers and authority of the Port of New Orleans, the number of members of the board, their selection, their term of appointment, removal and borrowing power. Their proposal also provided that two members would serve on the Board of Commissioners for the Port of New Orleans from Jefferson Parish, two from the parish of Orleans, one from St. Bernard Parish with an additional member coming from the parish with the greatest population, and a final member from the state at large, a parish not including the three named above.

Mr. Dennis Grace, port director for Trade and Development in the parish of Orleans, wished to express their views on the Port of New Orleans, but the chairman, Mr. Reeves, asked that Mr. Grace and his party get together

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with Mr. Wall from Jefferson Parish and his party and come up with a proposal that would express the views of both parishes.

As the meeting was about to adjourn, Mr. George Mathews, general counsel for the Greater Baton Rouge Port Commission, came in with their proposal indicating certain provisions to be retained in the constitution and others which they would like to see transferred to statutes. Mr. Reeves, chairman, asked that they leave their proposal with the committee for their consideration at a later date.

Mr. Cannon then moved that the meeting be adjourned.

MINUTES

Minutes of the Subcommittee on Special Districts; Transportation, Ports, and Harbors of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on May 17, 1973  
State Capitol, Senate Lounge  
Baton Rouge, Louisiana  
Friday, May 25, 1973

Presiding: Terry R. Reeves, Chairman, Subcommittee on Special Districts; Transportation, Ports, and Harbors

PRESENT

Harvey Cannon, Jr.  
Ethan Chatelain  
George Dewey Hayes  
Terry R. Reeves  
Frank Ullo

ABSENT

None

The chairman called the meeting to order. Mr. Chatelain offered a motion to approve the minutes of May 15, 1973. The motion carried without objection.

Chairman Reeves stated that the agenda included consideration of the Sabine River Authority, Port of New Orleans, Port of Baton Rouge, and the Port of Lake Charles.

Mr. Cannon moved to delete the Sabine River Authority from the constitution (Article XIV, Section 45). The motion carried without objection.

General discussion ensued concerning the Port of New Orleans. Mr. Chatelain offered a motion that the committee consider the Port of New Orleans as a constitutional institution if membership inequities could be worked out. A roll call vote was taken on the motion:

Harvey Cannon, Jr.	(Yea)
Ethan Chatelain	(Yea)
George Dewey Hayes	(Abstained)
Frank Ullo	(Yea)

The motion carried with three yeas and one abstention.

The chairman introduced Mr. John F. Rau, Jr., former member of the legislature; Mr. Dennis Grace, deputy director

for Trade and Development in the parish of Orleans, and Mr. Rudy Eason, parish attorney for Jefferson Parish. These gentlemen joined the discussion concerning the New Orleans Dock Board.

The subcommittee discussed the proposal drafted by the staff at the request of Mr. Reeves, relative to the New Orleans Dock Board. A copy of this proposal is attached hereto and made a part of these minutes. They also discussed the compromise agreement prepared by the New Orleans Dock Board and Jefferson Parish officials.

In discussion on the draft prepared by the staff, the subcommittee voted unanimously to delete lines 20, 21, 22, and the word "constitution" on line 23, page 1.

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There was a motion to add the phrase "who shall be experienced in commerce and industry or both." after the word "compensation" on line 7, page 2. The motion carried without objection.

Mr. Cannon offered a motion to delete the word "in" on line 20, page 2, and the words "accordance with the procedures prescribed by law" on line 22, page 2. The motion carried without objection.

There was a motion to delete the word "of" on line 25, and the word "and" on line 26, page 2. The motion carried unanimously.

Mr. Chatelain offered the motion to change the word "seven" on line 6, page 2, and insert the word "five." However, Mr. Hayes offered a substitute motion to have the two additional delegates be based on population rather than at large. A roll call vote was taken on Mr. Hayes' substitute motion:

Harvey Cannon, Jr.	(Nay)
Ethan Chatelain	(Nay)
George Dewey Hayes	(Yea)
Frank Ullo	(Nay)

There being three nays and one yea, the substitute motion failed. The original motion carried unanimously.

The subcommittee decided to delete the word "of" on line 1, and the word "and" on line 2, page 3; and the words "of" and "and" on line 7, page 3.

Section (E) of the staff proposal was omitted and the New Orleans Dock Board's Compromise Proposal Section 1, page 3 was accepted in lieu of Section (E). Section (F) of the

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proposal was also omitted and in lieu thereof, the phrase "there shall be no more than two members of the said board who reside in and are qualified voters from within one of the parishes of Orleans, Jefferson, and St. Bernard."

Mr. Chatelain then offered a motion to delete line 6

on page 4. The motion carried with three yeas and one abstention from Mr. Cannon.

The subcommittee agreed to change the words "nominating committee" on line 11, page 5, and insert the words "appropriate body."

It was also agreed that the section dealing with "Managerial Powers" on page 6 of the staff proposal be deleted, and the New Orleans Dock Board compromise proposal on page 6 be accepted.

Mr. Chatelain offered a motion that the Port of New Orleans remain in the constitution as the proposal was amended with the understanding that Article XIV, Section 30, would be included. The motion carried without objection.

Mr. Cannon offered a motion that the Port of Baton Rouge remain in the constitution with certain adjustments, and the motion carried with four yeas and one nay from Mr. Reeves.

A motion was then offered by Mr. Chatelain that the Port of Lake Charles remain in the constitution as recommended in the correspondence from that port, a copy of which is attached hereto and made a part of these minutes. The motion carried with four yeas and one nay from Mr. Reeves.

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There was a motion to delay reconsidering the South Louisiana Port Commission until further study information. Mr. Hayes offered a substitute motion to place the South Louisiana Port Commission in the constitution. The substitute motion failed to carry on a vote of three against and one for, Mr. Hayes voting for the motion. The original motion to delay reconsidering the South Louisiana Port Commission then carried.

The subcommittee adjourned at 4:30 p.m.

  
Terry R. Reeves, Chairman

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CC-

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Reeves

4

A PROPOSAL

5 Board of Commissioners of the Port of New Orleans; power and

6 authority, territorial limits; membership, appointment,

7 qualifications; term of appointment; incompatible offices;

8 removal.

9 PROPOSED SECTIONS:

10 Article\_\_\_\_, Section\_\_\_\_. Powers and Authority;  
 11 Territorial Limits  
 12 Section\_\_\_\_. The Board of Commissioners of the Port  
 13 of New Orleans shall have the authority to do all things  
 14 necessary to promote and regulate the commerce and  
 15 traffic of the port; and shall have the full power to  
 16 provide and administer all facilities which are necessary  
 17 to the above purposes, including but not limited to,  
 18 the building, maintenance, and operation of public  
 19 wharves and other facilities which are port connected.  
 20 Without limiting or detracting from the powers of the  
 21 Board of Commissioners of the Port of New Orleans now  
 22 conferred by the statutes of this state or by this con-  
 23 stitution, the Board of Commissioners of the Port of  
 24 New Orleans shall have full power to acquire by purchase,  
 25 exchange, lease, expropriation, or otherwise, any prop-  
 26 erty deemed necessary by said board for the commerce or  
 27 other public purposes of the port and to lease, sell,  
 28 exchange, or otherwise dispose of any such properties,  
 29 including, without limitation, any wharves, buildings,  
 30 improvements, structures, or facilities of any nature  
 31 whatsoever. The board shall exercise all such powers  
 32 and authority within the territorial limits of the Port  
 33 of New Orleans, which shall comprise the parish of  
 34 Orleans, and those portions of the parishes of Jefferson  
 35 and St. Bernard fronting on the Mississippi River or

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1 concerned with deep draft-international waterborne  
 2 transportation.  
 3 Section\_\_\_\_. Number of Members, Qualifications,  
 4 Appointments, Vacancies  
 5 Section\_\_\_\_. (A) The Board of Commissioners of  
 6 the Port of New Orleans shall be composed of seven  
 7 members, who shall serve without compensation. The  
 8 categories of representation from the three parishes  
 9 of Jefferson, Orleans, and St. Bernard, as set forth  
 10 in the enumerated paragraphs below, shall hereafter  
 11 be maintained at all times. The present members, five  
 12 in number, shall continue to serve on said board for  
 13 the duration of their respective terms, and any vacan-  
 14 cies in the membership of the board hereafter occurring  
 15 by reason of expiration of the terms for which appoint-  
 16 ed, or by reason of death, resignation, or otherwise,  
 17 shall be filled by the governor of the state in the  
 18 manner hereinafter provided and in the order herein-  
 19 after set forth. Nominees to the governor for appoint-  
 20 ment of members to said board shall be chosen in  
 21 accordance with the procedures prescribed by law and

22 in the following manner:

23 (B) One member who resides and is a qualified voter  
 24 in the parish of Jefferson shall be appointed by the  
 25 governor within fifteen days after receipt by him of  
 26 and from three nominees submitted to him by the Jeffer-  
 27 son Parish Industrial Development Commission. Said  
 28 three nominees shall be selected by said commission  
 29 from a panel of six qualified nominees, comprising  
 30 three nominees selected by the West Bank Council of  
 31 the Chamber of Commerce of the New Orleans Area and  
 32 three nominees selected by the East Jefferson Council  
 33 of the Chamber of Commerce of the New Orleans Area.

34 (C) One member who resides and is a qualified voter  
 35 in the parish of St. Bernard shall be appointed by the

-3-

1 governor within fifteen days after receipt by him of  
 2 and from three qualified nominees submitted to him by  
 3 the St. Bernard Council of the Chamber of Commerce of  
 4 the New Orleans Area.

5 (D) One member who resides and is a qualified voter  
 6 in the parish of Orleans shall be appointed by the gov-  
 7 ernor within fifteen days after receipt by him of and  
 8 from three nominees submitted to him by a nominating  
 9 council, comprised of the presidents or recognized  
 10 heads of the nominating organizations hereinafter named.  
 11 Said nominating council shall select three nominees  
 12 from among a panel of names submitted to it by the  
 13 following nominating organizations, which shall each  
 14 select two qualified nominees:

- 15 (1) Chamber of Commerce of the New Orleans Area
- 16 (2) New Orleans Board of Trade, Ltd.
- 17 (3) New Orleans Steamship Association
- 18 (4) International House

19 (E) Two members who reside and are qualified voters  
 20 in the parishes of Jefferson, Orleans, or St. Bernard  
 21 shall be appointed by the governor with fifteen days  
 22 after receipt by him of and from three nominees sub-  
 23 mitted to him by a nominating council, comprised of  
 24 the presidents or recognized executive heads of the nom-  
 25 inating organizations hereinafter named. Said nominat-  
 26 ing council shall select three nominees from among a  
 27 panel of names submitted to it by the following nomina-  
 28 ting organizations, which shall each select two quali-  
 29 fied nominees:

- 30 (1) Chamber of Commerce of the New Orleans Area
- 31 (2) New Orleans Board of Trade, Ltd.
- 32 (3) St. Bernard Council of the Chamber of Commerce  
 33 of the New Orleans Area
- 34 (4) West Bank Council of the Chamber of Commerce of  
 35 the New Orleans Area

1 (5) East Jefferson Council of the Chamber of Commerce  
 2 of the New Orleans Area  
 3 (6) Jefferson Parish Industrial Development Commission  
 4 (7) New Orleans Steamship Association  
 5 (8) International House  
 6 (9) AFL-CIO Central Trades and Labor Council  
 7 (F) The sixth and seventh member shall be appointed  
 8 directly by the governor. Members serving on the effec-  
 9 tive date of this constitution shall complete their respec-  
 10 tive terms of office, with their successors and the addi-  
 11 tional members to be chosen as provided hereinabove. On  
 12 the effective date of this constitution, two additional  
 13 members are to be appointed; one from Jefferson Parish and  
 14 one from the state at-large. The first vacancy arising by  
 15 expiration of term of office shall be filled from the  
 16 parish of St. Bernard; the next vacancy shall be filled  
 17 from the second and third Public Service District (act-  
 18 ing as one representative area).  
 19 (G) Any vacancy in the membership of the board from the  
 20 parishes of Jefferson or Orleans shall be filled by the  
 21 governor of the state within fifteen days after receipt  
 22 by him of the names of the nominees submitted to him by  
 23 the organizations specified hereinabove in the following  
 24 manner: the nominating organizations of each parish  
 25 for which a vacancy might exist shall each choose two  
 26 nominees having the necessary qualifications for each  
 27 vacancy occurring on said board, and shall submit the  
 28 names of such nominees in writing to a committee con-  
 29 sisting of the presidents or recognized executive heads  
 30 of such nominating organizations of said parish, who  
 31 shall select three nominees from among those names  
 32 submitted to it by the nominating organizations and  
 33 shall certify the names of the three nominees selected  
 34 to the governor of the state.  
 35

1 Section \_\_\_\_\_. Dissolution of Nominating Organizations;  
 2 Effect  
 3 Section \_\_\_\_\_. If any one or more of the nine  
 4 organizations referred to above shall cease to exist or  
 5 to function, without any legal successor, then the nom-  
 6 inees shall be submitted to the nominating council by  
 7 those nominating organizations as shall continue to exist  
 8 and function.  
 9 Section \_\_\_\_\_. Delayed Certification; Appointment  
 10 Section \_\_\_\_\_. In the event that, for any reason,  
 11 the nominating committee shall fail to certify to the  
 12 governor the three nominees within one hundred twenty

13 days after the expiration of the term of any member of  
 14 the board or the occurrence of a vacancy on that board  
 15 from any other cause, the governor shall have the right  
 16 and it shall be his duty to proceed forthwith to make  
 17 an appointment to fill such vacancy.  
 18 Section \_\_\_\_\_. Term of Appointment; Filling Unexpired  
 19 Term; Reappointment  
 20 Section \_\_\_\_\_. Any succeeding member appointed to fill  
 21 the term of a member leaving the board, before the expira-  
 22 tion of the term to which he shall have been appointed,  
 23 shall be appointed to fill the unexpired term of such  
 24 retiring or deceased member. All members appointed to  
 25 the board shall be appointed for a term of five years,  
 26 except the first appointment from the parish of Jefferson  
 27 who shall be appointed to a term of three years. No  
 28 member of said board shall be eligible to succeed himself  
 29 unless the unexpired term which he will have be appointed  
 30 to fill has less than two years to run.  
 31 Section \_\_\_\_\_. Service Until Successor Qualified  
 32 Section \_\_\_\_\_. Members shall continue to serve until  
 33 their successors have been appointed and duly qualified.  
 34 Section \_\_\_\_\_. Incompatible Offices  
 35 Section \_\_\_\_\_. No member of said board shall hold any

1 office in any political party or other political  
 2 organization, nor shall he hold any public office  
 3 or employment for compensation, existing under or  
 4 created by the laws of the United States, the State  
 5 of Louisiana, or any municipality or subdivision  
 6 thereof.  
 7 Section \_\_\_\_\_. Confirmation; Removal  
 8 Section \_\_\_\_\_. Any and all appointments of members  
 9 of the Board of Commissioners of the Port of New Orleans  
 10 shall be made by the governor as hereinabove provided  
 11 and without the advice or consent of the Senate, or  
 12 confirmation by the Senate. No member thus appointed  
 13 shall be removed except for cause on charges preferred  
 14 against him in writing by the attorney general of the  
 15 state, and after public hearing and proof of the suf-  
 16 ficiency of said charges to justify his removal, before  
 17 a court of competent jurisdiction.  
 18 Section \_\_\_\_\_. Managerial Powers  
 19 Section \_\_\_\_\_. The Board of Commissioners of the Port  
 20 of New Orleans shall have sole power to organize or re-  
 21 organize the legal, executive, engineering, clerical, and  
 22 other departments and forces of said board, and to fix  
 23 the duties, powers, and compensation of all officers,  
 24 agents, and employees in such departments, excepting,  
 25 however, such civil service requirements, auditing and  
 26 financial practices may be established by state law.

27 Section \_\_\_\_\_. Powers and Authority; Borrowing; General  
28 Obligation Notes and Bonds

29 Section \_\_\_\_\_. The Board of Commissioners of the Port  
30 of New Orleans shall have the power, without legislative  
31 enactment or authorization, to borrow money and to  
32 issue notes and bonds for any of its purposes and powers.  
33 Such borrowing shall be made and such notes and bonds  
34 issued in accordance with the procedures established by  
35 the State Bond Commission, except as hereinafter provided

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1 in subsection (B). The State Bond Commission shall,  
2 immediately following the approval of this constitution,  
3 notify the said board of its procedures.

4 All notes and bonds of the board issued pursuant to  
5 the foregoing authorizations shall constitute and be  
6 general obligations of the state, to the payment of  
7 which the full faith and credit of the state shall be  
8 pledged by the board. All such bonds and notes, together  
9 with all bonds of the board outstanding at the time of  
10 adoption hereof, shall be payable from the Bond Security  
11 and Redemption Fund equally and rateably and on a parity  
12 with all general obligation bonds of the state issued  
13 under Article IV, Section 2 of the Constitution of 1921.

14 Nothing in this section shall be a limitation on  
15 the power of the legislature to authorize the issuance of  
16 bonds by the state for the purposes of the board, upon  
17 such terms and conditions as it deems proper.

18 Section \_\_\_\_\_. Limited Revenue Obligations

19 Section \_\_\_\_\_. The board may borrow such sums as shall  
20 be necessary to construct or improve any port facility,  
21 provided that the loan therefor shall be secured by  
22 and liquidated only from a percentage to be agreed upon  
23 of the revenues collected for the use of such facility.

24 The board may issue bonds in such principal amount as  
25 may be necessary for the purpose of constructing, acquir-  
26 ing, or remodeling any facility which is in the power of  
27 the board to provide. This authority shall depend upon  
28 the board having entered into a lease or other agreement,  
29 by which under its terms and conditions, the bonds issued  
30 will be retired.

31 Such obligations and/or bonds or notes shall not be  
32 supported by the full faith and credit of the state, but  
33 shall be payable solely from the revenues of the said  
34 facility.

35 The board may acquire movable and immovably property

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1 subject to mortgage or other liens and may agree to the  
2 retention of vendor's lien and privilege on the property

3 acquired, provided that the obligees shall be limited  
4 solely to the proceeds derived from enforcement of the  
5 vendor's lien and privilege and not from the general  
6 revenues or other property of the board.

7 Section \_\_\_\_\_. Tax Exemption

8 Section \_\_\_\_\_. The principal of and interest on and  
9 income from all obligations created by the board shall  
10 be exempt from all state, parish, municipal, or other  
11 taxation, except inheritance, transfer, or gift taxes.  
12 General obligation bonds of the board shall have the  
13 same eligibility for deposit with the state or its  
14 officers or any of its political subdivisions or munici-  
15 palities, as was granted by Article 321 of the Constitu-  
16 tion of 1913 to the bonds therein authorized.

17  
18 Source: La. Const. Article VI, Sections 16, 16.1, 16.2,  
19 16.3, 16.4, 16.6, 17. (1921).

20  
21 Comment: The revision changes the method of selecting members  
22 of the Board of Commissioners. The parishes of St. Bernard  
23 and Jefferson are guaranteed membership as are the parishes  
24 outside the port area.

25 The AFL-CIO is given a voice in the selection of two  
26 members of the board.

27 The provision concerning powers and authority; bor-  
28 rowing, is modernized in language while being substantively  
29 unaffected.

30  
31  
32  
33  
34  
35  
ANNEX FOR CLARIFICATION OF LOCAL AND PAROCIAL GOVERNMENT COMMITTEE

origin of the present Lake Charles Harbor and Terminal District  
Act 67 of 1924, as ratified and amended by Article XIV, Section  
30.1 of the Constitution, and as presently embodied in L.R.S. 34:201,  
et seq.

The letter in the statutory law with which I assume the Constitutional  
Convention will not be directly concerned.

There are several constitutional provisions appertaining to the Lake  
Charles Port that either must be retained in present form, or in  
equivalent language. These are Article XIV, Section 30.1 and Section  
30.2, initially authorized by Act 55 of 1924, and adopted and approved  
by the people of the State on November 4, 1924.

[RST: Section 30.1 is still the constitutional law that governs.  
That Section authorizes generally the creation of ports, harbors  
and terminal districts as political subdivisions of the State,  
and invests in these subdivisions full corporate status, including  
the basic rights of operation, eminent domain, right to incur  
debt and to issue property bonds, and the right to levy and collect  
taxes in connection therewith in the manner provided by the Constitution  
and laws of the State. Most of the ports in Louisiana have been  
created under this constitutional provision. The particular amendment  
reads as follows:

"Sec. 30.1 Port, harbor and terminal districts:  
creation as political subdivisions

"The legislature of the State of Louisiana is em-  
powered to create port, harbor and terminal districts  
as political subdivisions of the State possessing full  
corporate powers; to fix their territorial limits; to  
provide for their organization and government; to define  
the duties, powers and jurisdiction of their governing

authorities and to delegate to them authority to own, construct, operate and maintain docks, wharves, sheds, elevators, warehouses and all other property, equipment and facilities, including belt and connecting lines or railroads, and works of public improvement necessary or useful for port, harbor and terminal purposes; to acquire by right of eminent domain, purchase or otherwise, the land that may be necessary for the business of such districts; to collect tolls and fees; to borrow funds for the business of such districts; to levy and collect taxes; to incur debt and issue bonds for the needs of such subdivisions in the manner provided by the Constitution and laws of the State of Louisiana, and generally to empower and authorize said boards to do any and all things necessary or proper for the government, regulations, development and control of the business of such ports, harbors and terminal districts. (Added Acts 1924, No. 55, adopted Nov. 4, 1924.)"

Minutes of the Subcommittee on Special Districts; Transportation, Ports, and Harbors of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on June 6, 1973  
State Capitol, Committee Room 5  
Baton Rouge, Louisiana  
Friday, June 15, 1973

Presiding: Terry R. Reeves, Chairman, Subcommittee on Special Districts; Transportation, Ports, and Harbors

<u>PRESENT</u>	<u>ABSENT</u>
Harvey Cannon, Jr.	None
Ethan Chatelain	
George Dewey Hayes	
Terry R. Reeves	
Frank Ullo	

This is still the organic law, as stated, that serves as the basic constitutional authority not only for Lake Charles Harbor and Terminal District but for most of the ports of Louisiana. It is the law that gives full constitutional section to 34:201, et seq., aforesaid. Its retention in the new Constitution is essential, either in exact language, or in equivalent language.

SFCOH: Article XIV, Section 30.2, originally made a part of the Constitution on November 4, 1924, was rewritten and incorporated into the Constitution by Act 708 of 1968, which was adopted and approved by the people on November 5, 1968.

It would appear inevitable that this Article is to be retained in the Constitution at the present time, particularly in view of the fact that it is a true and tested method which has been ultimately approved by the Courts.

The Article further ratifies the legislative act of 1924, creating the Lake Charles Harbor and Terminal District and also provides a method for the appointment of the members of the Board of Commissioners and other related matters.

The constitutionality of this Section was sustained in the case of Hamilton v. McKeithen, 226 So.2d 494, in which a writ of review was denied by the United States Supreme Court.

THIRD: A further constitutional provision which is to be retained is Article 6-A, Paragraph 5, Sub-Paragraph (b), reading as follows:

"Sec. 5. Disposition of collections; allocations; expenditures; inner-harbor navigation canal bridge or tunnel

"Section 5. (1) Deposit; allocations. Commencing July 1, 1953, the Collector of Revenue shall, within the first ten days of each calendar month after the receipt of such taxes, forward the full amount collected by him, less expenses withheld, during the preceding calendar

-2-

month, to the Treasurer of the State of Louisiana, to be credited by him monthly in the order and in the proportions as follows:

\* \* \* \* \*

"(b) One-twentieth of the amount received shall be credited to the Board of Commissioners Lake Charles Harbor and Terminal District."

\* \* \* \* \*

Economic studies can be presented to the Constitutional Convention, if needed, showing that the Lake Charles Port is one of the most rapidly growing in the State of Louisiana; that it is serving a need directly related to Louisiana products, such as the vast timber and pulpwood interest of the Southern Louisiana area, from Alexandria, Louisiana to the Coast, and the vast rice and sugarcane production of the whole area. These Louisiana products, running into millions, can not be economically transported to the Eastern or foreign markets in competition with Texas ports, except by way of the Lake Charles Port.

FOURTH: Article XIV, Section 31, that generally empowers ports, harbors and terminal districts, such as Lake Charles, with the right to incur debt and issue bonds having to do with industrial developments, and empowering the Port to incur debt and to issue bonds for such purposes in the manner provided by the Constitution and laws of Louisiana, including, but not by way of limitation Article XIV, Section 14, Paragraph (b.2) of the Constitution.

It is to be noted that there is an interest rate in this particular Section that is restricted to 5%, and this, of course, if it is retained, should be corrected and made conformable to other present similar interest rates, not to exceed 8%.

This Section is essential in industrial development projects, and related port developments. It was embodied in Act 630 of 1956, which was ratified and approved by the people on November 6, 1956. It can properly be classified as "legislative," but it must be dealt with if this basic right of our port authorities is sustained, except as to New Orleans and Baton Rouge, where special constitutional provisions are also necessarily applicable.

LAKE CHARLES HARBOR & TERMINAL DISTRICT

Robert M. McAlle, Attorney  
Fred G. [unclear], Sr., Special Attorney

By: *[Signature]*

Chairman Reeves called the meeting to order, and a quorum being established, the meeting proceeded.

The subcommittee looked over the minutes of the May 25, 1973 meeting. The subcommittee asked that the minutes be amended to include a substitute motion that had been made by Mr. Hayes to place the South Louisiana Port Commission in the constitution. The motion had failed on a vote of one for and three against, Mr. Hayes voting for the motion. Mr. Cannon moved to adopt the minutes as amended. The motion carried without objection.

Staff Memorandum No. 20 dealing with the recommendations of the subcommittee was gone over next by the subcommittee. The memorandum is attached hereto and made a part of these minutes as Appendix A.

Mr. Hayes moved to reopen discussion of ports. The motion passed without objection.

Mr. Robert Manard, member of the Chamber of Commerce of the New Orleans area, presented the committee with a report on the Constitutional status of the Board of Commissioners, Port of New Orleans. His report is attached hereto and made a part of these minutes as Appendix B.

The subcommittee next looked over Staff Memorandum No. 21 which is attached hereto and made a part of these minutes as Appendix C.

Mr. Chalin Perez, chairman of the whole Committee on Local and Parochial Government spoke to the committee next. Mr. Perez, relating to the dock board of the Port of New Orleans, said he felt that in order to give adequate protection to the board there must be some restructuring of the provision, but he was concerned over the length of the provision the subcommittee had come up with. He suggested

a general provision to give all ports protection without putting in so much detail. Mr. Perez suggested a provision along the lines of the following proposal: "All deep-water port commissions and all deep-water port, harbor, and terminal districts as they are now organized and constituted, shall continue to exist. The legislature may not diminish or withdraw from any such commission or district including the board of commissioners of the Port of New Orleans, any of its powers and functions, nominating effect, structure, organization, distribution, and redistricting of the powers and functions of any such commissions including its territorial districts except by acts passed by at least a two-thirds vote of the elected membership of each house; but the legislature may by ordinary acts grant additional powers and functions to any such district. The legislature may create new commissions and districts by ordinary acts."

After hearing from Mr. Perez, Mr. Reeves stressed the need for the committee to decide what action it will recommend to the whole committee. A vote was called for on whether or not to report to the committee of the whole what the subcommittee had done. On a roll call vote the committee voted not to report to the whole committee what it had come up with. The voting was as follows:

<u>YES</u>	<u>NO</u>
Harvey Cannon	George Dewey Hayes
Ethan Chatelain	Frank Ullo
	Terry R. Reeves

3

Mr. Cannon moved to meet again on Monday, June 25, 1973 at 10:00 a.m. It was suggested that perhaps the committee should not set a meeting date until they found out when the whole committee was going to meet again.

Chairman Reeves adjourned the meeting at 12:00 noon.

  
Terry R. Reeves, Chairman

4

**NOTES**

Staff Memos Nos. 20 and 21 may be found in Chapter II, below.

**APPENDIX B**

**STATEMENT OF THE CHAMBER OF COMMERCE OF THE NEW ORLEANS AREA CONCERNING THE BOARD OF COMMISSIONERS, PORT OF NEW ORLEANS**

BEFORE

THE LOCAL AND PAROCHIAL GOVERNMENT COMMITTEE OF THE LOUISIANA CONSTITUTIONAL CONVENTION OF 1973  
June 15, 1973

Gentlemen:

I am Robert L. Manard, Jr., President of the Chamber of Commerce of the New Orleans Area.

You have been given copies of the official stand of the Chamber concerning the Board of Commissioners, Port of New Orleans. I would like to discuss this.

The Chamber feels the Port of New Orleans is the greatest economic asset of this state, and, therefore, its successful operation is in the interest of the entire state.

Under the constitutional protections, concerning membership and the financial authority of the Board, which have been in effect for the past thirty years, this port has maintained its position as the Number Two port in the nation and as one of the major ports of the world.

We feel this constitutional protection must be continued in order to insure a continuity of success based on professional, business-like management.

- 2 -

At the same time we feel slight changes are in order because of the growth of the metropolitan New Orleans area and the changed emphasis in the trade of the area. These changes require some adjustments in the composition and nominating procedure.

These changes have been recognized in the proposal reviewed by the Sub-committee on Special Districts; Transportation, Ports and Harbors.

We agree, generally, with these changes, with the slight modifications you will note.

The Chamber urges you to recognize, by continuing these constitutional protections, the unselfish hours of dedicated service the businessmen appointees to the Board have given.

RESOLUTION OF THE CHAMBER OF COMMERCE OF THE NEW ORLEANS AREA CONCERNING THE CONSTITUTIONAL STATUS OF THE BOARD OF COMMISSIONERS, PORT OF NEW ORLEANS  
June 15, 1973

The Chamber of Commerce of the New Orleans Area:

1. Recommends that the Board of Commissioners, Port of New Orleans be retained in the new Louisiana Constitution.
2. That the Board of Commissioners, Port of New Orleans be composed of five members chosen for five-year terms, and with the qualifications, as follows:
  - e. One representative from Orleans Parish who shall vote and have his principal place of business within Orleans Parish.
  - b. One representative of Jefferson Parish who shall vote and have his principal place of business within Jefferson Parish.
  - c. One representative of St. Bernard Parish who shall vote and have his principal place of business within St. Bernard Parish.
  - d. Two at-large representatives who shall vote and have their principal place of business within the Tri-Parish area.
  - e. No parish shall have more than two representatives.
3. Nominating Process
  - a. Candidates in Orleans Parish shall be nominated by:
    1. Chamber of Commerce of the New Orleans Area
    2. New Orleans Steamship Association
    3. International House
    4. New Orleans Board of Trade

Each shall nominate two candidates. The principal officers of these organizations will choose three names from the list of eight. The Governor will choose one from that list of three.

b. Candidates in Jefferson Parish shall be nominated by:

1. The West Bank Council, Chamber of Commerce of the New Orleans Area
2. The East Jefferson Council, Chamber of Commerce of the New Orleans Area

Each shall nominate three candidates. The Jefferson Port Industrial Development Commission will select three from this list of six. The Governor shall choose one from this list of three.

- 2 -

c. Candidates in St. Bernard Parish shall be nominated by:

1. St. Bernard Council, Chamber of Commerce of the New Orleans Area

The Council shall nominate three candidates from whom the Governor shall select one.

d. At-large candidates shall be nominated by:

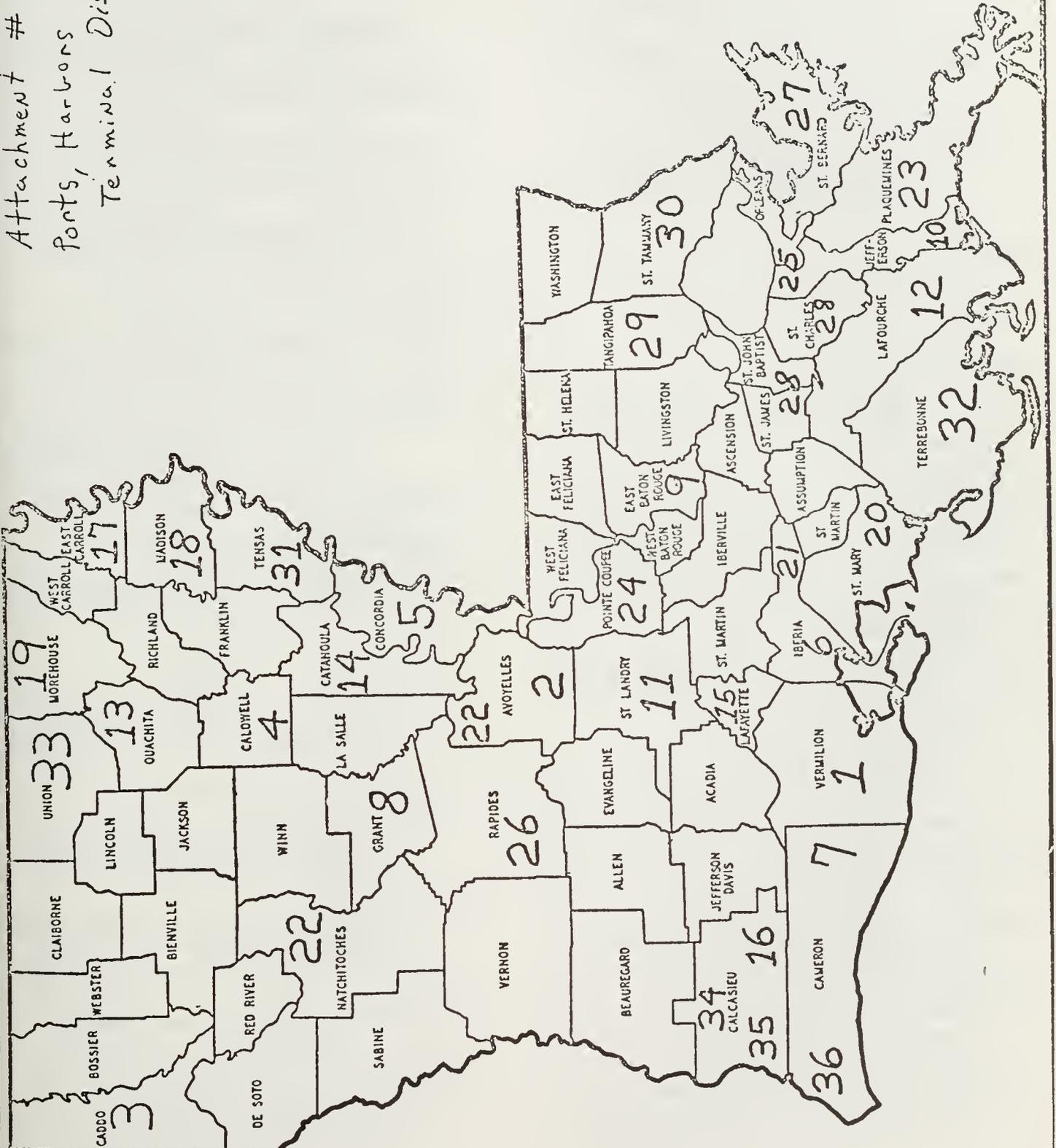
1. Chamber of Commerce of the New Orleans Area
2. New Orleans Board of Trade
3. New Orleans Steamship Association
4. International House
5. West Bank Council, Chamber of Commerce of the New Orleans Area
6. East Jefferson Council, Chamber of Commerce of the New Orleans Area
7. St. Bernard Council, Chamber of Commerce of the New Orleans Area

Each agency will nominate two candidates. The principal officers of these agencies shall then select three from this list of fourteen. The Governor shall select one from this list of three.

4. In order to provide for an orderly transition to the new system the Chamber recommends the following nominating sequence:

- |          |   |                            |
|----------|---|----------------------------|
| 1st year | - | Jefferson Representative   |
| 2nd year | - | St. Bernard Representative |
| 3rd year | - | Orleans Representative     |
| 4th year | - | At-large Representative    |
| 5th year | - | At-large Representative    |

Attachment #1  
 Ports, Harbors and  
 Terminal Districts



ATTACHMENT #2  
Constitutional and Statutory  
Provisions; Jurisdiction; Bonds

1. Abbeville Harbor & Terminal District -
  - (a) Territorial Limits - All of the third and seventh wards of Vermilion Parish. R.S. 34:333.1
  - (b) Board of Commissioners - R.S. 34:333.2
  - (c) Bonds - R.S. 34:333.9-No loan shall in no year exceed the estimated revenues for such year.
2. Avoyelles Parish Port Commission -
  - (a) Territorial Limits - Entire parish of Avoyelles - Article VI, §35(E)
  - (b) Board of Commissioners - Article VI, §35(A); R.S. 34:1801
  - (c) Bonds - \$15 million bonded indebtedness - Article VI, §35(L); R.S. 34:1804
3. Caddo-Bossier Parishes Port Commission -
  - (a) Territorial Limits - Entire parishes of Caddo & Bossier (excepting "any docks, landings, or wharves presently in use and businesses now engaged in river operations in the port area.") Article VI, §32(E)
  - (b) Board of Commissioners - Article VI, §32(A)
  - (c) Bonds - \$15 million bonded indebtedness - Article VI, §35(K)
4. Columbia Port Commission -
  - (a) Territorial Limits - Entire parish of Caldwell (excepting "any docks, landings, or wharves presently in use and businesses now engaged in river operations in the port area.") R.S. 34:1903
  - (b) Board of Commissioners - R.S. 34:1901
  - (c) Bonds - \$15 million - R.S. 34:1904
5. Concordia Parish Port Commission -
  - (a) Territorial Limits - Entire parish of Concordia (excepting "any docks, landings, or wharves presently in use and business now engaged in river operations in the port area.") Article VI, §35(F); R.S. 34:1853
  - (b) Board of Commissioners - Article VI, §34(A); R.S. 34:1851
  - (c) Bonds - \$15 million - Article VI, §34(M); R.S. 34:1854
6. Delcambre Port Commission -
  - (a) Territorial Limits - Ward seven of the parish of Iberia - R.S. 34:1603
  - (b) Board of Commissioners - R.S. 34:1601
  - (c) Bonds-----No statutory authority. R.S. 34:1603  
"There shall never be levied...any ad valorem tax..."
7. East Cameron Port, Harbor & Terminal District -
  - (a) Territorial Limits - Wards one and two in the parish of Cameron - R.S. 34:2501
  - (b) Board of Commissioners - R.S. 34:2502
  - (c) Bonds - \$15 million - R.S. 34:2505
8. Grant Parish Port Commission - R.S. 34:2351 et. seq.
  - (a) Territorial Limits - Entire parish of Grant (excepting "any docks, landings, or wharves presently in use and businesses now engaged in river operations in the port area.") R.S. 34:2353
  - (b) Board of Commissioners - R.S. 34:2351
  - (c) Bonds - \$15 million - R.S. 34:2354
9. Greater Baton Rouge Port Commission -
  - (a) Territorial Limits - parishes of East Baton Rouge, West Baton Rouge, Iberville, and Ascension - Article VI, §§29, 29.2
  - (b) Board of Commissioners - Article VI, §§29, 29(3); R.S. 34:1221
  - (c) Bonds - \$50 million - Article VI, §29.1
10. Greater Jefferson Port Commission -
  - (a) Territorial Limits - Wards one, two, three, four, five, six, and eleven - R.S. 34:2022
  - (b) Board of Commissioners - R.S. 34:2021
  - (c) Bonds - \$20 million - R.S. 34:2023
11. Greater Krotz Springs Port Commission -
  - (a) Territorial Limits - Entire parish of St. Landry - R.S. 34:1453
  - (b) Board of Commissioners - R.S. 34:1451
  - (c) Bonds - \$15 million - R.S. 34:1454
12. Greater Lafourche Port Commission -
  - (a) Territorial Limits - R.S. 34:1652 - Ward ten of the parish of Lafourche
  - (b) Board of Commissioners - R.S. 34:1651
  - (c) Bonds - \$25 million - R.S. 34:1653
13. Greater Ouachita Port Commission -
  - (a) Territorial Limits - Entire parish of Ouachita - Article VI, §34(E); R.S. 34:1403
  - (b) Board of Commissioners - Article VI, §31(a); R.S. 34:1401
  - (c) Bonds - \$15 million - Article VI, §31(L); R.S. 34:1404
14. Jonesville Port, Harbor & Terminal District -
  - (a) Territorial Limits - Entire parish of Catahoula - R.S. 34:2151
  - (b) Board of Commissioners - R.S. 34:2152
  - (c) Bonds - \$15 million - R.S. 34:2155
15. Lafayette Harbor & Terminal District -
  - (a) Territorial Limits - Entire parish of Lafayette - R.S. 34:291
  - (b) Board of Commissioners - R.S. 34:292
  - (c) Bonds - R.S. 34:300
16. Lake Charles Harbor & Terminal District -
  - (a) Territorial Limits - R.S. 34:201 (within Calcasieu Parish)
  - (b) Board of Commissioners - Article XIV, §30.2; R.S. 34:202
  - (c) Bonds - Article XIV, §31; R.S. 34:209, 210
17. Lake Providence Port Commission -
  - (a) Territorial Limits - Article VI, §33(E) - All of E. Carroll Parish
  - (b) Board of Commissioners - Article VI, §33(A,B); R.S. 34:1501
  - (c) Bonds - \$15 million - Article VI, §33(L)
18. Madison Parish Port Commission -
  - (a) Territorial Limits - R.S. 34:2401 - Entire parish of Madison
  - (b) Board of Commissioners - R.S. 34:2402
  - (c) Bonds - R.S. 34:2404(C) - "bonds shall not be issued requiring principal and interest payments in any year in excess of eighty percent of the tax revenues..."
19. Morehouse Port, Harbor & Terminal District -
  - (a) Territorial Limits - parish of Morehouse - R.S. 34:3001
  - (b) Board of Commissioners - R.S. 34:3002
  - (c) Bonds - \$15 million - R.S. 34:3005
20. Morgan City Harbor & Terminal District -
  - (a) Territorial Limits - Part of St. Mary Parish - R.S. 34:321
  - (b) Board of Commissioners - R.S. 34:322
  - (c) Bonds - R.S. 34:329 - "...bonds shall not be issued requiring principal and interest payments in any year in excess of eighty percent of the tax revenues..."
21. New Iberia Port District -
  - (a) Territorial Limits - Sixth ward of Iberia Parish - R.S. 34:241
  - (b) Board of Commissioners - R.S. 34:242
  - (c) Bonds - Article XIV, §31; R.S. 34:250
22. Red River Waterway -
  - (a) Territorial Limits - All territory located within the parishes of Avoyelles, Rapides, Natchitoches, Red River, Grant, Bossier, and Caddo. R.S. 34:2301
  - (b) Board of Commissioners - R.S. 34:2302, 2303
  - (c) Bonds - Article XIV, §31; R.S. 34:2
23. Plaquemines Parish Port Authority -
  - (a) Territorial Limits - Coextensive with the port of Plaquemines - R.S. 34:1351
  - (b) Board of Commissioners - R.S. 34:1352
  - (c) Bonds - R.S. 34:1356-"...the amount of such bonds (ad valorem tax bonds) outstanding at any one time shall not exceed in the aggregate ten percentum of the assessed valuation of the taxable property within the district..."
24. Pointe Coupee Port, Harbor & Terminal District -
  - (a) Territorial Limits - parish of Pointe Coupee - R.S. 34:2151
  - (b) Board of Commissioners - R.S. 34:2452
  - (c) Bonds - R.S. 34:2455(c)- negotiable bonds "or notes outstanding at any one time shall not exceed in the aggregate ten percentum of the assessed valuation of the taxable property within the district..."
25. Port of New Orleans -
  - (a) Territorial Limits - parishes of Jefferson, St. Bernard, and Orleans. Acts 1896, No. 70; Article 321, La. Const. (1913); Article XXII, §1 La. Const. (1921).
  - (b) Board of Commissioners - Article VI, §17; R.S. 34:1
  - (c) Bonds - \$95 million - Article VI, §16, §16.5
26. Rapides Parish Port Commission -
  - (a) Territorial Limits - Entire parish of Rapides - Article VI, §36.1(E)
  - (b) Board of Commissioners - Article VI, §36.1(A)
  - (c) Bonds - \$5 million - Article VI, §36.1(K)
27. St. Bernard Port, Harbor & Terminal District -
  - (a) Territorial Limits - Coextensive with the parish of St. Bernard - R.S. 34:1701
  - (b) Board of Commissioners - R.S. 34:1702
  - (c) Bonds - R.S. 34:1712-"... the amount of such bonds (ad valorem tax bonds) outstanding at any one time shall not exceed in the aggregate ten percentum..."

28. South Louisiana Port Commission -
  - (a) Territorial Limits - Article VI, §33.1 - The parishes of St. Charles, St. John the Baptist, and St. James
  - (b) Board of Commissioners - Article VI, §33.1
  - (c) Bonds - \$25 million - Article VI, §33.1
29. South Tangipahoa Parish Port Commission -
  - (a) Territorial Limits - Wards six, seven, and eight of Tangipahoa Parish - R.S. 34:1953
  - (b) Board of Commissioners - R.S. 34:1951
  - (c) Bonds - \$25 million - R.S. 34:1954
30. St. Tammany Parish Port Commission -
  - (a) Territorial Limits - Entire parish of St. Tammany - R.S. 34:2003
  - (b) Board of Commissioners - R.S. 34:2001
  - (c) Bonds - R.S. 34:2004 - negotiable bonds "shall not be issued requiring principal and interest payments in any year in excess of eighty percent of the tax revenues..."
31. Tensas Parish Port, Harbor & Terminal District -
  - (a) Territorial Limits - Entire parish of Tensas - R.S. 34:2281
  - (b) Board of Commissioners - R.S. 34:2282
  - (c) Bonds - \$15 million - R.S. 34:2285(A)
32. Terrebonne Port Commission -
  - (a) Territorial Limits - Entire parish of Terrebonne - R.S. 34:2203
  - (b) Board of Commissioners - R.S. 34:2201
  - (c) Bonds - "The total principal amount of all bonds outstanding as of the date of the issuance of any new bonds shall never exceed ten percent of the assessed valuations of the taxable property within the port area..." - R.S. 34:2204(c)
33. Union Parish Port, Harbor & Terminal District -
  - (a) Territorial Limits - the parish of Union - R.S. 34:3051
  - (b) Board of Commissioners - R.S. 34:3052
  - (c) Bonds - \$15 million - R.S. 34:3055
34. Vinton Harbor & Terminal District -
  - (a) Territorial Limits - Ward seven of Calcasieu parish - R.S. 34:334.1
  - (b) Board of Commissioners - R.S. 34:334.2
  - (c) Bonds - R.S. 34:334.8
35. West Calcasieu Port, Harbor & Terminal District -
  - (a) Territorial Limits - R.S. 34:2103
  - (b) Board of Commissioners - R.S. 34:2101
  - (c) Bonds - R.S. 34:2109
36. West Cameron Port, Harbor & Terminal District -
  - (a) Territorial Limits - Wards three, four, five, and six of Cameron Parish - R.S. 34:2551
  - (b) Board of Commissioners - R.S. 34:2552
  - (c) Bonds - \$15 million - R.S. 34:2555

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MINUTES

Minutes of the Subcommittee on Special Districts; Transportation, Ports, and Harbors of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

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

Committee Room 206, State Capitol Building

Baton Rouge, Louisiana

Friday, June 22, 1973, 10:00 a.m.

Presiding: Terry R. Reeves, chairman, Subcommittee on

Special Districts; Transportation, Ports, and Harbors

Present: Terry Reeves                      Absent: None  
 Harvey Cannon  
 Ethan Chatelain  
 George Dewey Hayes  
 Frank Ullo  
 Chalin O. Perez, ex officio member

Chairman Reeves called the meeting to order and stated that the minutes of June 15, 1973, were distributed. Mr. Chatelain offered a motion to delay action on the minutes until the subcommittee had an opportunity to review them. The motion carried without objection.

The chairman stated that representatives from St. Bernard Parish were present and requested an opportunity to present their views.

Mr. Charles Livaudais, assistant district attorney for St. Bernard Parish, was introduced. Mr. Livaudais addressed his remarks to the compromise proposal drafted by Jefferson Parish and Orleans Parish representatives. He stated that this document was drafted without counsel from St. Bernard Parish, and asked that the subcommittee delete St. Bernard Parish from this draft. He stated that St. Bernard Parish does not want to be left out of the constitution; they want to be included with their own authority.

Senator Samuel Nunez, Jr., was introduced and he stated that the New Orleans Dock Board had agreed six years ago to put in a clause saying "nothing in this provision shall affect the parishes of St. Bernard and Plaquemines." Senator Nunez stated that St. Bernard Parish "is not here to destroy the New Orleans Dock Board, but we don't want them grabbing up the entire parish of St. Bernard." He asked the subcommittee to consider removing St. Bernard Parish from the territorial limits of the New Orleans Dock Board.

Mr. Henry C. Schindler, Jr., president of the St. Bernard Parish Police Jury, was introduced. A copy of his presentation is attached hereto and made a part of these minutes.

The chairman then recognized Representative Elmer Tapper who stated that St. Bernard Parish needs to be able to develop itself. He asked the subcommittee to favorably consider the suggestions offered by representatives from St. Bernard Parish.

Mr. Louis Munster, member of the St. Bernard Parish Police Jury, was introduced and explained that once the Mississippi River Gulf Outlet was constructed, St. Bernard Parish had to build a levee system to protect itself. He explained that this levee system, designed by the Corps of Engineers, is on a thirty to seventy percent basis, but the taxpayers of St. Bernard have already spent two million dollars on this project. He

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explained that if the parish had been represented on the dock board at the time the gulf outlet was proposed, a provision would have been made to include a levee system. He stated that the parish of St. Bernard should not be under the jurisdiction of the New Orleans Dock Board.

Mr. Chalin Perez, representing the parish of Plaquemines and a portion of St. Bernard Parish, stated that the construction of the proposed connecting link between the river and the outlet would seriously affect the lives of many of the people in Plaquemines Parish.

Mr. Roy Gonzales, vice president of the St. Bernard Parish Police Jury, appeared and stated that during the public hearings held by the Corps of Engineers several months ago, every speaker from St. Bernard Parish was against the location of this proposed link in St. Bernard Parish.

The chairman introduced Mr. Dennis Grace, deputy director

for Trade Development for the New Orleans Dock Board. He stated that the dock board has operated over the past seventy-six years in the parishes of St. Bernard, Orleans, and Jefferson with the authority presently in the constitution. He also stated that the dock board does intend to build in St. Bernard Parish, and that it has bought and is buying real estate to provide spoil areas. Mr. Grace stated that it would be disastrous if St. Bernard Parish was removed from the jurisdiction of the New Orleans Dock Board.

Mr. Cyrus Guidry, representing the New Orleans Dock Board, was introduced, and he stated that the territorial limits of the port encompassing St. Bernard Parish does not have any effect on the construction of the connecting link

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between the river and the outlet. He stated that this is a federal project approved in 1955, and in 1956, the governor designated the dock board to be the assuring agency. He stated that construction was subject only to the selection of a site by the chief engineer of the Corps of Engineers.

After discussion, the subcommittee recessed for lunch at 12:15 p.m.

Upon reconvening at 2:00 p.m., Mr. Chatelain moved that the subcommittee adjourn. However, the motion failed by a vote of one for and three against.

Mr. Perez submitted a proposed draft to the subcommittee relative to the New Orleans Dock Board. However, Mr. Chatelain offered a motion to adopt and report to the full committee the proposal drafted by the staff with the insertion of Dr. Ullo's recommendations. Mr. Perez stated his strong opposition to this proposal, but the proposal was adopted by a unanimous vote of the subcommittee.

Mr. Hayes offered a motion that a provision be adopted that would include the South Louisiana Port Commission in the constitution, and that this provision be verbatim to the present constitutional provision. The motion carried without objection.

Mr. Chatelain offered a motion that the minutes of June 15, 1973, be approved. The motion carried without objection.

Having nothing further to come before the subcommittee, the subcommittee adjourned at 3:30 p.m.

Terry R. Reeves, chairman

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STATEMENT OF HENRY C. SCHINDLER, JR.  
PRESIDENT, ST. BERNARD PARISH POLICE JURY

FOR MANY YEARS ST. BERNARD PARISH HAS BEEN IGNORED IN THE TOTAL PICTURE OF PORT DEVELOPMENT IN THE NEW ORLEANS METROPOLITAN AREA. MILLIONS OF DOLLARS, HOWEVER, HAVE BEEN SPENT IMPROVING AND EXPANDING PORT FACILITIES IN NEW ORLEANS. THE CAPITAL PROGRAM OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS FOR THE FISCIAL YEARS 1969 THROUGH 1972 WAS APPROXIMATELY 60 MILLION DOLLARS, NOT ONE-CENT OF WHICH WAS SPENT IN ST. BERNARD PARISH. IRONICALLY, THE PRINCIPAL WATERWAYS WHICH SERVE THE PORT i.e., THE MISSISSIPPI RIVER AND THE MISSISSIPPI GULF-OUTLET FLOW THROUGH THE JURISDICTIONAL LIMITS OF ST. BERNARD AND THUS MAKE THIS PARISH A KEYSTONE OF PORT PROSPERITY. YET FOR ALL ITS IMPORTANCE TO THE GROWTH AND PROSPERITY OF THE PORT OF NEW ORLEANS, <sup>FOR MANY YEARS</sup> ST. BERNARD PARISH HAS NEVER HAD OFFICIAL REPRESENTATION ON THE BOARD OF COMMISSIONERS NOR HAVE OUR WATERFRONT RESOURCES SHARED IN PORT GROWTH AND DEVELOPMENT.

WE SUSPECT THE TOKEN RECOGNITION OFFERED THIS PARISH IN THE RESTRUCTURING OF THE BOARD IS MERELY A STRATAGEM TO GAIN THIS PARISH'S ACCEPTANCE OF FUTURE DOCK BOARD PROJECTS i.e., THE PROPOSED SHIP LOCK AND CANAL AND THE FURTHER PHYSICAL EXPANSION OF THE MISSISSIPPI RIVER GULF-OUTLET.

*let me assume you that*  
AS PRESIDENT OF THE POLICE JURY, THIS STRATAGEM WILL NOT WORK, WE ARE CONVINCED THAT THESE PROPOSED PROJECTS ARE DETRIMENTAL TO OUR INTEREST AND WE ARE CONFIDENT THAT WE HAVE THE TALENT, ABILITY AND MOTIVATION NECESSARY TO DEVELOP OUR OWN WATERFRONT RESOURCES WITHOUT THE PATERNAL PATRONAGE OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS.

#### NOTES

Subcommittee Proposal relative to Deep Water Ports is reproduced above with the Minutes of the full committee for June 28, 29, 30, 1973.

# 5. Subcommittee on the Affairs of the City of New Orleans

## MINUTES

Minutes of the Subcommittee on the Affairs of the City of New Orleans of the Committee on Local and Parochial Government of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 16, 1973

Mayor's Dining Room, City Hall

New Orleans, Louisiana

Friday, April 20, 1973, 9:00 a.m.

Presiding: Johnny Jackson, Jr., Chairman of the Subcommittee on the Affairs of the City of New Orleans

Present: Johnny Jackson, Jr. Absent: Dorothy Mae Taylor  
Joseph Giarrusso, Sr. Mary Zervigon

The chairman called the meeting to order, and considerable discussion ensued concerning the responsibility and functions of the subcommittee.

Mr. Giarrusso offered a motion to delete Article XIV, Section 46 dealing with the New Orleans domed stadium from the constitution and place it in the revised statutes. Mrs. Zervigon offered a substitute motion with a proviso that no limit be placed upon the ability of the commission to deal with finances. The motion and substitute motion carried.

Mr. Jackson recommended that Article XIV, Section 31.1 be removed from the constitution and placed in the statutes; the subcommittee agreed.

The subcommittee then discussed the section dealing with the Vieux Carre Commission, and generally agreed to retain it in the constitution.

The next item on the agenda concerned the disposition of the Board of Commissioners of the city of New Orleans. Mr. Giarrusso stated that he wished the record to read that "all men who serve on this board are fine individuals and are to be commended for their service." He then offered a motion to remove this agency from the constitution and place it in the city charter. Mrs. Zervigon offered a proviso to this motion that enabling legislation be enacted to facilitate this move. It was so agreed.

Mr. Giarrusso moved that Sections 23 through 23.43 be removed from the constitution and placed in the revised statutes until enabling legislation could permit removal to the city charter. It was stated that a proviso should be added which would permit the city to acquire property in other parishes as is necessary; it was so agreed.

After considerable discussion, it was agreed to refer Section 25 to the Subcommittee on Revenue and Taxation with a proviso that if it is removed from the constitution, a

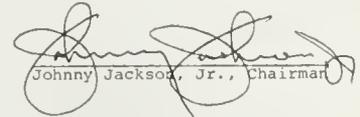
suitable provision will be made to insure payment of this revenue to the police and firemen.

Considerable discussion ensued concerning the disposition of the Public Belt Railroad. It was agreed that this

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issue would be discussed at the full committee meeting on April 27, 1973.

The committee adjourned at 1:00 p.m.



Johnny Jackson, Jr., Chairman

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Subcommittee on the Affairs of the City of New Orleans

Room 203, State Capitol

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

Presiding: Johnny Jackson, Jr., Chairman of the Subcommittee

The chairman called the meeting to order, and a lengthy discussion ensued concerning the committee's position on those articles under its purview. Mr. Giarrusso submitted arguments as to why the Sewerage and Water Board should be retained in the constitution. It was decided that the Sewerage and Water Board should be deleted from the constitution, but Mr. Giarrusso asked that the public be informed as to the reason for transferring the board from the constitution, and under what authority the board would be constituted.

Chairman Jackson requested that the research staff write a memorandum to the Executive Committee and the Attorney General's office regarding the disposition of the Sewerage and Water Board, if it is deleted from the constitution. The chairman also asked that some of the comments be reworded.

The committee recessed at 12:30 p.m. and reconvened at 1:30 p.m.

Discussion ensued on when voting should be held on the provisions assigned to the Subcommittee on the Affairs of New Orleans. A motion was offered by Chairman Jackson for the members of the subcommittee to cast votes on

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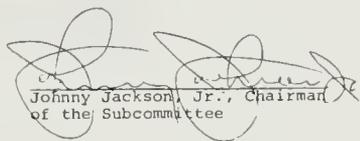
various provisions assigned to the subcommittee. The motion was overruled.

Joseph Giarrusso offered a motion that the committee reconsider at a future date the various positions on

all of the articles that have been submitted to the subcommittee. The motion was approved. Another motion was offered by Mr. Giarrusso that a letter be written to the chairman of every board and commission or other agency to present in writing additional recommendations as to whether the board should be deleted or retained in the constitution and that these recommendations be presented by May 4, 1973. The motion was approved.

An amendment was offered to Mr. Giarrusso's earlier motion that the date of May 7, 1973, be scheduled for the next meeting and the tentative meeting place will be in New Orleans at the City Hall. The motion was approved.

Mr. Giarrusso offered the motion for adjournment. The subcommittee adjourned at 1:45 p.m.

  
Johnny Jackson, Jr., Chairman  
of the Subcommittee

MINUTES

Minutes of the Subcommittee on the Affairs of the City of New Orleans of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 30, 1973

New Orleans Public Library  
New Orleans, Louisiana  
Monday, May 7, 1973, 10:00 a.m.

Presiding: Johnny Jackson, Jr., Chairman of the Subcommittee on the Affairs of the City of New Orleans

Present: Johnny Jackson, Jr.  
Dorothy Mae Taylor  
Joseph Giarrusso, Sr.  
Mary Zervigon

Chairman Jackson called the meeting to order and stated the agenda called for the hearing of testimony prior to voting on the provisions under discussion. A motion was made and passed unanimously requesting all speakers to attempt to confine their remarks to ten minutes.

Mr. Bernard B. Levy, representing the Louisiana Stadium and Exposition District was introduced. Mr. Levy submitted a presentation in the form of a letter to the chairman.

The chairman introduced Mr. Harry McCall, Jr., representing the Union Passenger Terminal. A copy of Mr. McCall's presentation was distributed to the members of the Subcommittee.

Testimony was then presented by Mr. A. J. Waechter, counsel; and Philip Webb, general manager, representing

the New Orleans Public Belt Railroad. Mr. Waechter advised that this agency would have a report regarding reorganization of the board and possible relationship with the dock board to submit to the subcommittee within three weeks. He informed the subcommittee that major difficulties regarding drafting of laws, reorganization, etc. would be encountered if the railroad is removed from the constitution. He added that the railroad must retain their authority to refund maturing bonds and their bonding authority.

Mr. Chester Rieth, secretary of the Board of Liquidation of City Debt, was introduced. During his presentation, Mr. Rieth emphasized if the Board of Liquidation were not in existence, the problem would exist as to how the taxes and bonds would be serviced. Mr. Rieth reiterated that the board wished to maintain their constitutional status.

The chairman introduced Mr. Pat Koloski, representing Mayor Landrieu. Mr. Koloski presented two separate resolutions, copies of which are attached hereto and made a part of these minutes. He also read a statement by Mayor

Landrieu, a copy of which is also attached to these minutes. A copy of a letter from Mr. Robert Konrad, director of the Civil Service Commission, is also attached to these minutes.

The chairman introduced Messrs. Ulisse Nolan, president pro tem, Stuart Brehm, executive director, and Jack Gordon, special counsel, all representing the Sewerage and Water Board; and voiced their reasons for retention of the board in the constitution. Mr. Nolan submitted a copy of the editorial from the Alexandria Daily Town Talk, a copy of which is attached and made a part of these minutes.

Mr. Chip Weignand, representing the Council for a New State Constitution, presented a resolution from the council, a copy is attached to these minutes.

After reconvening from lunch, the chairman introduced Mr. Wayne Collier, executive director of the Vieux Carre Commission. Mr. Collier presented a document which was distributed to the delegates of the convention. He stated that the effectiveness of the Vieux Carre Commission could only be maintained through constitutional status. Mrs. Zervigon presented a proposed amendment to the to the provision a copy of these amendments were distributed to the members. The subcommittee voted unanimously to retain the commission in the constitution.

The subcommittee then discussed Article XIV, Section 23, and Sections 23.1 through Section 23.43. Mrs. Zervigon

and Chairman Jackson voted to delete this section from the constitution. Mr. Giarrusso abstained from voting.

Sections 24.2 to 24.23 were considered and the members voted to delete from the constitution and all bond issues still outstanding be placed in the statutes.

The subcommittee voted unanimously to recommend deletion of Sections 24, 25, 31.1, 31.3, 31.4, and 47 of Article XIV.

The subcommittee voted to recommend deletion of Article XIX, Section 20.

The subcommittee deferred action on Sections 25.1, 26, and 31.7 until the meeting of May 14, 1973.

The meeting adjourned at 3:45 p.m.

*Johnny Jackson, Jr.*  
Johnny Jackson, Jr. Chairman

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**CITY OF NEW ORLEANS**  
OFFICE OF THE MAYOR

May 4, 1973



MOON LANDRIEU  
MAYOR

Mr. Chalin Perez, Chairman  
Committee on Local and Parochial  
Government of the Constitutional Convention  
Baton Rouge, Louisiana

Dear Mr. Perez:

It has been brought to our attention that there is some concern in your committee relative to the fate of Article XIV, Section 25, entitled "New Orleans: special tax for fire and police departments."

We understand that some assurance has been requested from the City Administration to safeguard the incomes of New Orleans Police and Firemen in the event that this section is deleted from the Constitution.

May this letter then serve as assurance that if Article XIV, Section 25 is deleted from the Constitution, then the City Administration and the Civil Service Commission will implement a revised pay plan for New Orleans Police and Firemen to include the incomes derived from the three (3) mills provided by Article XIV, Section 25.

It is our hope that this section will be deleted from the Constitution, as we are opposed to any constitutional dedication of millage for the City of New Orleans.

May we also request that our present level of millage be safeguarded, in the event that your committee delete all sections concerning dedicated millage from the Constitution. We only ask that the City of New Orleans be able to determine its own priorities with the resources available to us. Any dedicated revenues in the Constitution only encumber our priority-making capacity.

"An Equal Opportunity Employer"

Mr. Chalin Perez

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May 4, 1973

I thank the committee for considering this request and again I wish you good luck in your endeavours.

Sincerely,  
*Moore Landrieu*  
Moore Landrieu  
Mayor

ML:skm

cc: Honorable Johnny Jackson

Enclosure

CITY OF NEW ORLEANS  
INTER-OFFICE MEMORANDUM

Date May 4, 1973

To Mr. Richard Kernion Department Administrative Office  
From William R. Konrad Department Civil Service  
Subject New Orleans: Special Tax for Fire and Police Departments

This is in response to your memorandum dated May 2, 1973 in which you indicate concern on the part of the Committee on Local and Parochial Government of the Constitutional Convention relative to Article XIV, Section 25. Specifically, concern was expressed that, if the dedicated millage is deleted from the Constitution, the personnel of the Fire and Police Departments will risk losing the "end-of-the-year" distribution derived from these taxes.

Please be assured that should Article XIV, Section 25 be deleted from the Constitution and the Constitution is passed, the Civil Service Department will make recommendations to provide in the pay plan for the retention or replacement of the income now provided to each eligible Fire and Police employee by this year-end distribution, with the understanding that no reduction in the salaries of other City employees would take place.

*William R. Konrad*  
William R. Konrad  
Director of Personnel

WRK:pb



MOON LANDRIEU  
MAYOR

CITY OF NEW ORLEANS

DEPARTMENT OF CITY CIVIL SERVICE

ROOM 7403 CITY HALL  
NEW ORLEANS, LA. 70112  
529-4311 EXT. 461

March 9, 1973

CITY CIVIL SERVICE COMMISSION  
WILLIAM M. BARNETT CHAIRMAN  
NORMAN C. FRANCIS  
MARCEL CARSAUD JR.

WILLIAM R. KONRAD  
DIRECTOR OF PERSONNEL

Mr. Chalin O. Perez  
Chairman of the Committee on  
Local and Parochial Government  
Louisiana Constitutional Convention  
Second Floor, State Capital  
Baton Rouge, Louisiana

Re: Recommendations for a Proposed Constitutional Civil Service Provision for the Cities

Dear Mr. Perez:

In connection with the activities of your committee, I am sending you herewith my own personal views for a possible constitutional provision to provide civil service for the cities of the state.

This proposal is considerably briefer than the existing civil service provision which covers both city and state operations. However, it retains those elements which I feel are essential for a strong and viable civil service system.

Very truly yours,  
CITY OF NEW ORLEANS  
CIVIL SERVICE DEPARTMENT

  
William R. Konrad  
Director of Personnel

Enclosure  
WRK:pb

Member of  
Public  
Personnel  
Association

"An Equal Opportunity Employer"

CITY CIVIL SERVICE PROPOSED  
CONSTITUTIONAL PROVISION

A. City Service or Civil Service of the city means all officials and positions of trust or employment in the employ of the city or any department, independent agency or other agency, board, or commission. (Source: Section 15, Article XIV; (A) (3).

B. The classified City Civil Service shall include all officers and employees in the City Civil Service except (1) officers elected by the people and persons appointed to fill vacancies in elective offices, (2) heads of principal departments appointed by the mayor or other governing body of any city, (3) city attorneys, (4) members of city boards and commissions, (5) one principal assistant or deputy, one attorney and one person holding a confidential position to any officer, board or commission mentioned in 1, 2, and 4, except the City Civil Service Department, (6) officers and employees of the Office of the Mayor and City Attorneys, (7) commissioners of elections and watches, custodians and deputy custodians of voting machines, (8) all persons employed and deputies selected

Page Two.

by sheriff, clerks of court and courts of record except those presently in the classified service. Additional exceptions may be made and revoked by rules adopted by the Commission. (Source: Section 15, Article XIV; (G).

C. There is hereby created and established in the city government of each city having a population exceeding

300,000, a Department of City Civil Service, the administrative head of which shall be the Director of Personnel to be appointed as hereinafter provided. (Source: Section 15, Article XIV; (B).

D. There is hereby created and established a City Civil Service Commission for each city having a population exceeding 300,000, to be composed of three citizens who are qualified voters of the city in which they serve. One member of the Commission shall be appointed by the governing body of the city. The other two members of the Commission shall be appointed as follows:

The president of the six oldest colleges or universities located in or nearest to the city concerned shall

Page Three.

each nominate one person, and two members of the Commission shall be appointed by the governing body of the city from the panel of six persons. One of the commissioners first appointed shall serve for two years, one for four years, and one for six years. The respective terms of the first appointees shall be designated by the governing body of the city. Vacancies shall be filled in the same manner as the original appointments. Each succeeding appointee shall serve for six years. Provided that appointment to fill a vacancy for an unexpired term shall be only for the unexpired term. Each commissioner shall serve until his successor has been appointed, and members of the existing Commission shall continue to serve until the first commissioners are appointed pursuant to this section. No member of the Commission shall be removed except for cause after being given a copy of the charges against him and an opportunity to be heard publicly on such charges by his appointing authority. Members of the Commission shall each be paid fifty dollars (\$50.00) for each day devoted to the work of the Commission but not more than two thousand dollars (\$2,000.00) in any year. They shall also be entitled to reimbursement for

Page Four.

actual expenses. (Source: Section 15, Article XIV; (D) & (E) & (K).

E. The Commission shall appoint a Director of Personnel, with or without competitive examination, who shall be in

the classified service. The Director shall appoint such personnel and staff and have such powers and perform such duties as are authorized and delegated to him by the Commission.

F. Permanent appointments and promotions in the classified City Civil Service shall be made only after certification by the Department of Civil Service under a general system based upon merit, efficiency, and fitness as ascertained by examinations which, so far as practical, shall be competitive, and employees and officers in the classified service shall be employed from those eligible under such certification. The Commission shall adopt rules for the method of certification of persons eligible for appointment and promotion and shall provide for appointments defined as emergency and temporary appointments where certification is not required.

Page Five.

G. No person having gained permanent Civil Service status in the classified City Civil Service shall be subjected to disciplinary action except for cause; nor shall any classified employee be discriminated against by reason of his political or religious beliefs, sex, or race. Any classified employee so discriminated against or subjected to such disciplinary action shall have the right of appeal to the City Civil Service Commission.

The burden of proof on appeal, as to the facts, shall be on the employee. (Source: Section 15, Article XIV; (A) (1) (2).)

H. The Commission is vested with broad and general rule-making powers, including subpoena powers, for the administration and regulation of the classified City Civil Service including, but not limited to, regulation of employment, promotion, demotion, suspension, reduction in pay, removal, certification, qualifications and all other personnel matters and transactions, the adoption of a uniform pay and classification plan, employment conditions, compensation and disbursements to employees, and generally to carry out and

Page Six.

effectuate the objectives and purposes of the merit system of Civil Service as herein established.

I. No member of the City Civil Service Commission and no

officer or employee in the classified service shall participate or engage in political activity or be a candidate for nomination for election to public office or be a member of any national, state or local committee of a political party or faction nor make or solicit contributions for any political party, faction or candidate nor take active part in the management of the affairs of a political party, faction or candidate or any political campaign except to exercise his right as a citizen to express his opinion privately, to serve as a commissioner or as an official watcher at the polls and to cast his vote as he desires. No person shall solicit contributions for political purposes from any classified employee or official nor use or attempt to use his position in the City Civil Service to punish or coerce the political action of such person.

J. The Commission is authorized to make investigations into violations of the provisions of this section and the

Page Seven.

rules or laws adopted pursuant hereto.

K. The rules adopted pursuant hereto shall have the effect of law. The Commission may impose penalties for their violation in the form of demotion in, or suspension or discharge from, position with attendant loss of pay. (Source: Section 15, Article XIV; (I) (O) (4).)

L. Any person who wilfully violates any provision of this section or of the laws adopted by the legislature pursuant hereto shall be guilty of a misdemeanor and shall upon conviction, be punished by a fine of not more than \$500.00, or by imprisonment for not more than six (6) months, or both. (Source: Section 15, Article XIV; (P) (3).)

M. Upon the effective date of this amendment, all officers and employees of the city who have Civil Service status in the classified service of the city shall retain said status in the position, class, and rank that they have on such date and shall thereafter be subject to and governed by the provisions of this amendment and the rules and regulations adopted under the authority hereof.

*Chas Wilson*

Resolution  
BY:

The Local and Parochial Committee of the Council for a new State Constitution

We are in favor of matters governing the establishment, jurisdiction

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

NOTES

Alexandria Daily Town Talk editorial of April 30, 1973 relative to utility rates and city services is omitted.

MINUTES

Subcommittee on the Affairs of the City of New Orleans of the Committee on Local and Parochial Government of the Constitutional Convention, 1973

Held pursuant to a notice mailed by the Secretary of the Convention  
City Hall, New Orleans, Louisiana  
June 23, 1973, 10:30 a.m.

Presiding: Johnny Jackson, Jr., Chairman

Present

Mary Zervigon  
Joseph Giarrusso

Absent

Dorothy Taylor

The meeting was called to order at 10:30 a.m. and a quorum was noted by the chairman.

General discussion ensued concerning the adoption of a draft of the subcommittee's report to the full committee. Mr. Giarrusso questioned Mr. Collier, representing the Vieux Carre, about the methods employed by other cities to preserve their unique landmarks, particularly the Georgetown section of Washington, D.C. A proposal was unanimously approved by the subcommittee to provide for a Vieux Carre Commission in the new constitution.

Mr. Dennis B. Grace and Mr. Edward S. Reed, representatives of the Board of Commissioners of the Port of New Orleans (Dock Board), made brief presentations to the subcommittee. The subcommittee deferred any action on those sections of the constitution affecting the Public Belt Commission until it receives a report from the joint committee comprising the Dock Board, the Public Belt, the City of New Orleans, and the Domed Stadium Board.

The subcommittee adjourned at 1:10 p.m.

  
Johnny Jackson, Jr., Chairman

# 6. Subcommittee on Transitional Measures

## MINUTES

Minutes of the Subcommittee on Transitional Measures of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with Convention rules

State Capitol - Committee Room 4

Baton Rouge, Louisiana

Wednesday, August 15, 1973

Presiding: Walter I. Lanier, Jr., Chairman of the Subcommittee on Transitional Measures

<u>Present</u>	<u>Absent</u>
Walter I. Lanier, Jr.	I. Jackson Burson
Joseph A. Conino	Ethan Chatelain
Terry Reeves	Johnny Jackson
Joseph F. Toomy	R. Gordon Kean
Mary Zervigon	

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

A quorum being established, the meeting proceeded.

Mr. Lanier, subcommittee chairman, stated that the purpose of the subcommittee was to consider the various ways to handle the transition of present constitutional material, not included in the committee proposal, to the statutes and to report its recommendations to the full committee.

The staff passed out a status sheet which listed each section of the present constitution assigned to the committee as primary responsibility and the new number of the section if the committee retained it in the proposal. On the status sheet there were four columns under the section dealing with provisions removed from the 1921 Constitution. The column headings were: (1) Unconstitutional, obsolete, etc.; (2) Repealed by committee; (3) Place in statutes, super vote; (4) Place in statutes, majority vote. Mrs. Zervigon suggested the following procedure for the subcommittee:

- (1) Recommend placing all sections not included in new constitution in statutes without change;
- (2) Not declare anything obsolete leaving that to be done by the legislature;
- (3) Go over each section and recommend whether to place it in either the super vote or majority vote category. Those sections placed in the super vote category would be subject to amendment or repeal only by a two-thirds vote of the legislature; those in the majority category could be amended or repealed by a majority vote of the legislature.

Mrs. Zervigon's suggestion was approved by the committee.

The committee first took up the recommendations suggested by the Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts. A copy of the memorandum submitted by the subcommittee is attached hereto and made a part of these minutes as Appendix A.

The subcommittee, without objection, recommended placing the following sections in the statutes in the majority vote category:

2

Art. XIV, §§3(b), 34, 35, 36, 37.1, 38, 38.1, 39, 39.1, 43, 44, 44.1.; Art. XV, §1, 2, 4; Art. VI, §11.1.

The subcommittee recommended placing the following sections in the super vote category: Art. XIV, §47 on a vote of three to one:

<u>FOR</u>	<u>AGAINST</u>
Conino Reeves Zervigon	Toomy

Art. XV, §3 on a vote of three to two:

<u>FOR</u>	<u>AGAINST</u>
Lanier Conino Zervigon	Reeves Toomy

The subcommittee decided to delay action on the section in Article XVI until the next meeting.

Meeting was adjourned.

Walter I. Lanier, Chairman

3



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 12740 A BATON ROUGE LOUISIANA 70803 TELEPHONE 387 5014

June 15, 1973

MEMORANDUM

E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

TO: Members of the Committee on Local and Parochial Government

FROM: Joseph Conino, chairman, on behalf of the Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts

RE: RECOMMENDATIONS OF THE SUBCOMMITTEE ON SPECIAL DISTRICTS; SEWERAGE, WATER, LEVEE, AND OTHER RELATED DISTRICTS OF THE COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT OF THE CONSTITUTIONAL CONVENTION OF 1973

The Subcommittee on Special Districts recommends the deletion of the following sections of the constitution and the placement of those sections in the revised statutes, subject to amendment by a vote of two-thirds of both houses:

Article XIV Section 3(b)	Parochial and Municipal Affairs East Baton Rouge Park and Recreation Commission Garbage Districts
-----------------------------	--

34

- 35 Fourth Jefferson Drainage District; Bond Issue
- 36 Jefferson Parish Community Center and Playground Districts; Bonds
- 37(1) Jefferson Parish; Sub-Sewerage Districts
- 38 Jefferson Parish; Public Improvement Districts
- 38(1) St. Charles Parish; Reclamation Projects by Public Improvement Districts
- 39 City of Lake Charles; Reclamation and Development of Lake Front
- 39.1 Calcasieu Parish; Community Center and Playground Districts; Bond Issue; Secretary-treasurer's Performance Bond

June 15, 1973  
Page 2

- 43 Jefferson Parish; Consolidated Drainage Districts; Bonds; Taxation
- 44 City of Lake Charles; Reclamation and Development of Lake Bed and Waterfront; Acquisition of Property; Bonds
- 44.1 City of Lake Charles; Reclamation and Development of Lake Front; Acquisition of Property; Bonds
- 47 Louisiana Stadium and Exposition District
- Article XV Drainage Districts
- Section 1 Authorization; Powers
- 2 Existing Laws Continued
- 3 Bayou Lafourche Fresh Water District
- 4 Iatt Lake Water Conservation District
- Article XVI Levees
- Section 7 Orleans Levee District; Board of Commissioners; Powers
- 8 Ponchartrain Levee District; Commissioners; Land Protection; Bonds
- 8(a) Ponchartrain Levee District; Additional Bond Issue

The subcommittee recommends the deletion of the following sections and the placement of those sections in the revised statutes with no further protection:

- Article VI Administrative Officers and Boards
- Section 11(1) Mosquito Abatement Districts

Finally, the subcommittee recommends the adoption of a general provision authorizing the creation of garbage districts, public improvement districts, and drainage districts. It also recommends the adoption of an article on levee districts encompassing much of the material contained in Article XVI, Sections 1-6.

be corrected to read Walter I. Lanier, Jr. Mr. Conino asked that his name be corrected to read Joseph A. Conino, and on page 3 the next to last paragraph was corrected to read: "The subcommittee decided to delay action on the Sections in Article XVI until the next meeting." Mr. Conino moved for adoption of the minutes with the above corrections. Without objection, the motion carried.

The committee continued with the report of the Subcommittee on Special Districts; Sewerage, Water, Levee, and Other Related Districts. Mr. Conino, chairman of the subcommittee, presented the recommendations for Article XVI on Levee Districts, which had been passed over at the last meeting. The subcommittee, without objection, recommended placing the following sections in the statutes in the majority vote category: Art. XVI, §§4, 7, 8, and 8(A); Art. XIX, §20. Mrs. Zervigon moved that Section 1 of Article XVI be provided for by a provision in the transition schedule. Without objection, the motion carried.

The committee next took up the report of the Subcommittee on the Affairs of the City of New Orleans. Mr. Jackson, chairman of the subcommittee, presented the subcommittee recommendations. The subcommittee, without objection, recommended placing the following sections in the majority vote category: Art. XIV, §§22(A), 23-23.43, 24, 24.1-24.23, 31.1, 31.3, 31.4, 31.7; Art. XIV, §§26, 27, and 28 were placed in the majority vote category by votes of four for and one against. The voting on all three sections was as follows:

<u>FOR</u>	<u>AGAINST</u>
Chatelain	Jackson
Conino	
Toomy	
Zervigon	

MINUTES

Minutes of the Subcommittee on Transitional Measures of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with Convention rules

Wednesday, October 24, 1973

State Capitol - Committee Room 4

Baton Rouge, Louisiana

Presiding: Walter I. Lanier, Jr., Chairman of the Subcommittee on Transitional Measures

<u>PRESENT</u>	<u>ABSENT</u>
Walter I. Lanier, Jr.	I. Jackson Burson
Ethan Chatelain	R. Gordon Kean
Joseph A. Conino	
Johnny Jackson	
Joseph F. Toomy	
Mary Zervigon	
Terry Reeves	

The chairman called the meeting to order and roll was called. A quorum being established, the meeting proceeded.

The minutes of the August 15, 1973, subcommittee meeting were handed out to the committee. Mr. Lanier asked that his name

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Sections 25 and 25.1 of Article XIV were passed over until a later date.

The subcommittee next took up the report of the Subcommittee on Special Districts; Transportation, Ports, and Harbors. Mr. Reeves, chairman of the subcommittee, presented the subcommittee recommendations. With reference to the following provisions, Delegate Reeves moved that a transition schedule provision be prepared in accordance with Article VI, Section 50 as adopted by the Constitutional Convention of 1973 to transpose the following provisions of the 1921 Constitution: Art. VI, §§16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 17, 29, 29.1, 29.2, 29.3, 29.4, 33.1, 34; Art. XIV, §§30.2, 31.

The subcommittee, without objection, recommended placing the following sections in the statutes in the majority vote category: Art. VI, §§27, 31, 32, 33, 35, 36.1; Art. XIV, §§30.1, 30.3, 30.4, 30.5, 31.6, 45.

The subcommittee recommended placing Section 6 of Article XIV in the statutes in the majority vote category with Mr. Toomy's being the only objection to the motion.

The staff was requested to prepare a list of the sections that the committee has not yet covered.

Meeting was adjourned.

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MINUTES

Minutes of the Subcommittee on Transitional Measures of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with Convention rules

Friday, November 2, 1973

State Capitol - Committee Room 1

Baton Rouge, Louisiana

Presiding: Walter I. Lanier, Jr., Chairman of the Subcommittee on Transitional Measures

PRESENT

Walter I. Lanier, Jr.  
Ethan Chatelain  
Joseph A. Conino  
Joseph F. Toomy  
R. Gordon Kean

ABSENT

Johnny Jackson  
Mary Zervigon  
Terry Reeves  
I. Jackson Burson

Mr. Lanier, subcommittee chairman, called the meeting to order and roll was called. A quorum being established, the meeting proceeded.

The minutes of the subcommittee meetings of August 15 and October 24, 1973, were handed out to the committee. Mr. Conino offered a motion to adopt the minutes. Without objection, the motion carried.

The staff handed out a memorandum which showed the sections of the present constitution which the committee had not taken action on. A copy of the memorandum is attached hereto and made a part of these minutes as Appendix A.

The subcommittee decided to take no action on Art. IV, §§ 5 and 6, relative to local or special laws, because both sections were being handled by the Committee on Legislative Powers and Functions.

The subcommittee, without objection, recommended placing the following sections in the statutes in the majority vote category: Art. X, §10(A); Art. XIV, §§3(d), 19, 25, 30, 32, and 48.

On the motion of Mr. Conino the subcommittee suspended a rule previously adopted by the committee not to include anything in the obsolete category. In the same motion the following sections were declared obsolete by the subcommittee: Art. XIV, §§3(e), 3(f), 3(g), 13, 18 and 31.2.

Without objection, the subcommittee passed over Art. X, §9, Tax Assessor, and Art. X, §10(B), Revenue Sharing Fund, since they were included in Committee Proposal No. 26 on property taxation.

Mr. Kean pointed out that Art. XIV, §3, was covered by Section 8 of Committee Proposal No. 17, relative to home rule charters, and Art. XIV, §33 was taken care of in Section 24 of Committee Proposal No. 17, relative to assistance to industry.

The subcommittee, without objection, recommended providing a

transitional schedule provision for the following sections on home rule charters: Art. XIV, §§3(a), 3(c), 3(second d), 22 and 37.

-2-

Mr. Lanier asked the staff to draw up transition schedule provisions for the present sections on home rule charters and deep-water ports and distribute them to members of the subcommittee as soon as feasible so that they might consider them for inclusion in the report to the full committee.

Mr. Lanier also requested that the staff prepare a report listing what the committee had placed in the following categories: (1) constitutional material; (2) two-thirds category; (3) simple statutes; and (4) transitional material needed.

Mr. Kean moved that the meeting be adjourned. Without objection, meeting was adjourned.

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APPENDIX A

STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 17740 A BATON ROUGE LOUISIANA 70803  
TELEPHONE 389 5034



October 25, 1973

E. L. HENRI  
Chairman  
NORMA M. DUNCAN  
Director of Research

MEMORANDUM

TO: Walter Lanier, Chairman, Subcommittee on Transitional Measures of the Committee on Local and Parochial Government  
FROM: Steve Glassell, Research Staff  
RE: STATUS OF SUBCOMMITTEE WORK AFTER TWO MEETINGS

The subcommittee still needs to decide into which column on the status sheet the following sections will be placed for transitional purposes:

<u>Article</u>	<u>Section</u>	<u>Title</u>
VI	5	Local or special laws; indirect enactment; repeal
	6	Local or special laws; notice of intention; publication. Note: this provision has been adopted as Section 13 of Article III, Legislative Department
X	10A	Special tax for municipal services
XIV	3	Optional plans of parochial government
	3(a)	East Baton Rouge Parish
	3(c)	Jefferson Parish; charter commission; plan of government
	3(d)	Parish Charter Commission
	3(d)	Acquisition, financing of sewerage improvements
	3(e)	St. Bernard Parish; home rule powers, plan of government
	3(f)	St. Charles Parish; charter commission
	3(g)	Parish charter commission; its duties, powers, functions and limitations
	13	City of Shreveport bonds ratified and reaffirmed
	18	Municipal ice factories
	19	Special tax to aid public utilities; elections; qualification of voters
	22	New Orleans; election of officers; form of government; powers; home rule charters
	25	New Orleans; special tax for fire and police departments
	30	Improvements by riparian owners in cities over 5,000 or within port of New Orleans; expropriation; just compensation

- 31.2 Shreveport; bond issue to pay outstanding indebtedness
- 32 Caddo Parish; sale of jail site; proceeds
- 33 Industrial plant erection; agricultural industrial boards
- 37 Shreveport; home rule; charter commission
- 48 Municipalities and special service districts; annexed areas; contracts; taxation and transfer of facilities

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MINUTES

Minutes of the Subcommittee on Transitional Measures of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given by the Secretary in accordance with Convention rules

Wednesday, November 14, 1973  
 Independence Hall  
 Baton Rouge, Louisiana

Presiding: Walter I. Lanier, Jr., Chairman of the Subcommittee on Transitional Measures

PRESENT

- Walter I. Lanier, Jr.
- Ethan Chatelain
- Joseph A. Conino
- Johnny Jackson
- Joseph F. Toomy
- Mary Zervigon
- Terry Reeves
- I. Jackson Burson
- R. Gordon Kean

ABSENT

None

Mr. Lanier, subcommittee chairman, called the meeting to order and roll was called. There being a quorum established, the meeting proceeded.

The staff distributed a draft of a subcommittee report. It included a disposition chart (status sheet) and schedule provisions

for home rule charters and deep-water ports which it had been requested to prepare. A copy of the schedule provisions is attached hereto and made a part of these minutes as Appendix A.

Mr. Burson moved to reject the schedule provisions. Mr. Kean offered a substitute motion to approve the provisions and refer them to the full committee. The substitute motion carried without objection.

Mr. Reeves moved that the staff prepare a final report categorizing the transitional material by article, section and title. There were no objections to the motion.

Mr. Chatelain moved to approve the report of the subcommittee and report out to the full committee. The motion carried on a vote of five for and two against.

FOR

- Lanier
- Chatelain
- Conino
- Burson
- Kean

AGAINST

- Toomy
- Reeves

There being no further business, meeting was adjourned.

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Two provisions to be included in the Schedule Article:

ARTICLE XIV. SCHEDULE

Section \_\_\_\_\_. Ratification of Home Rule Charters

Section \_\_\_\_\_. All provisions of Article XIV, §§3(a), 3(c), 3(d) [second], 22, and 37 of the Louisiana Constitution of 1921 are expressly retained and made a part of this constitution by reference.

Section \_\_\_\_\_. Transposition of Provisions of Constitution of 1921 Relative to Ports to Statutes; Amendment or Repeal

Section \_\_\_\_\_. All provisions of Article VI, §§16, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 17, 29, 29.1, 29.2, 29.3, 29.4, 33.1, 34, and Article XIV, §§30.2 and 31 of the Louisiana Constitution of 1921 shall become statutes subject to amendment or repeal only as provided in Article \_\_\_\_\_, Section \_\_\_\_\_ of this constitution.

## II. Staff Memoranda

CC/73 Research Staff

Subcommittee of Committee on  
Local and Parochial Govern-  
ment Drafting General Provi-  
sions on Local Government

March 30, 1973

Staff Memo No. 1

allow the governing authorities of Rapides parish to accept or reject the petition if approved by electors in the territory to be annexed without holding a referendum among the citizens of the municipality to be affected.

Staff Memo No. 1  
March 30, 1973  
Page 3

RE: Provisions for Annexation

### Constitutional Provisions

When a municipality annexes territory, that area is often being provided services, usually water and sewerage, by parish-created special districts. Prior to the passage of this amendment, governments had to work out agreements between themselves relative to tax levies, disposal of facilities and retirement of outstanding debt. The legality of such arrangements and the right of parties to become involved in them was questioned.

This amendment intends to clarify this situation in regard to water and sewerage districts. It provides that a municipality annexing territory included in a water and/or sewerage district may contract with the special district governing body to grant either the municipality or the special district exclusive right to provide services in the annexed area.

If the municipality is given the right to service the area, the special district may continue to levy taxes in the annexed

Act 338 amended Section 172 to require greater numbers of signatories to the annexation petition when annexation is accomplished through municipal ordinance. It also provided for annexation without petitions under two conditions: 1) when the territory to be annexed shares 90 per cent of its boundary with the municipality; 2) when voters request, by petition, a special election to decide upon the annexation. For an analysis of the 1972 changes in annexation methods, see Attachment 2.

Sections 152-156, 158-160, and 173-180 remain unchanged. They provide the machinery for accomplishing the annexation methods proposed in Sections 151 and 172.

### NOTES

Text of La. Const.(1921) Art XIV, Sec.48 is omitted.

area for the retirement of any outstanding tax-secured bonds and may continue to levy such maintenance taxes as were previously authorized. However, no new taxes can be assessed by the district on the annexed property. The amendment further authorizes municipalities and special districts to convey title to facilities in special districts to one another, provided reasonable compensation can be agreed upon (see Attachment 1).

### Statutory Provisions

Sections 151-160 and 171-180 of Title 33 of the Revised Statutes provide for the alteration of municipal boundaries, excepting the city of New Orleans. Prior to 1972, there were two means by which property could be annexed: 1) by petition and subsequent elections in the territory to be annexed and in the municipality affected. 2) by petition and subsequent municipal ordinance. The first method was outlined in Section 151 and the second, in Section 172.

Act 126 of 1972 amended Section 151 to provide separately for annexation petitions in Rapides Parish and in parishes with populations between 115,000 and 125,000. It also added Section 157.1 to

RE: Requirements for annexation of property by a Municipality under Acts 126 and 338 of 1972

Act 126, amending Section 151 of Title 33 of the Revised Statutes, provides that bona fide owners of land lying contiguous and adjacent to the territorial corporate limits of a city or town, who desire that such land be annexed to and included in the corporate limits of such city or town, shall present to the mayor or governing body of said city or town a petition setting forth their desire that said land be annexed and also setting forth the boundaries and an accurate description of the land.

One-third in number and value of bona fide owners of any land lying contiguous and adjacent to the territorial corporate limits of any city or town, except the City of New Orleans, is required, or,

one-half in number and value of bona fide owners of land lying contiguous and adjacent to the corporate limits of any city or town in a parish which has a population between one hundred fifteen thousand and one hundred twenty five thousand persons, or,

one-fourth in number of bona fide owners of any land lying contiguous and adjacent to the corporate limits of any city located in Rapides Parish.

LOUISIANA LEGISLATIVE COUNCIL

Memorandum

March 19, 1973

ATTACHMENT II

The Act further provides that in Rapides Parish, after the expiration of the publication of the result of the election, if a majority in number of the qualified electors voting at such election have voted in favor of annexation, the municipal authorities of the city or town may then accept or reject the proposed annexation.

Act 338, amending Section 172 of Title 33 of the Revised Statutes, provides requirements for a petition to annex property and alternative methods for annexation.

The Act requires, before any ordinance enlarging the boundaries of a municipality can be valid, that a petition containing the written assent of a majority of registered voters and a majority in number of the resident property owners, as well as 25% in value of the property owners within the area proposed to be included in the corporate limits according to the certificate of the parish assessor, must first be presented to the governing body of the municipality. The requirement for a majority of registered voters will not apply if there are no registered voters in the area.

The City of New Orleans is specifically excluded from incorporating any area of Jefferson, Plaquemines or St. Bernard Parishes.

Notice by publication of the filing of the petition is required to be given once in some newspaper published or having general circulation in the municipality. No annexation ordinance can be adopted until 10 days after publication of the notice. Anyone desiring to be heard with reference to the ordinance must notify the clerk or secretary of the municipality in writing, and the governing authority of the municipality must then grant a hearing before adopting the ordinance.

Any municipality is authorized to annex contiguous areas without a petition provided at least 90% of the boundary of the area is common to the boundary of the municipality. However, such annexation must be reasonable and in the best interest of the overall community, the provisions for notice must be met, and the ordinance will not become effective until the district court of the judicial district in which the municipality lies has ruled after

-2-

contradictory trial with the owner or owners of the areas to be annexed, that the annexation is reasonable and in the best interest of the over-all community.

Municipalities are also authorized to annex contiguous areas after the question has been submitted to the qualified voters residing within the area to be annexed in a special election and a majority have voted in favor of annexation. Any municipality may call such an election upon petition signed by at least 25% of resident property owners residing in the area and by owners of at least 25% in value of the resident property in the area.

Act 338 cites complaints from citizens that annexation of areas to the corporate limits of a municipality could be achieved by assent of 25% in number and value of the property owners within the area proposed to be included and states as its purpose the intent to change the law to provide that the petition to annex territory be signed by a majority of the registered voters and a majority in number of the resident property owners and 25% in value of the property of the resident property owners.

Act 126 has no such provision for a majority of registered voters to

sign the petition for annexation, nor does it require a majority in number of the resident property owners.

Act 338 requires notice by publication and a hearing if requested before an annexation ordinance becomes valid. Act 126 makes no such provision.

Act 338 authorizes annexation without a petition where 90% of the boundary of the area to be annexed is common to the boundary of the municipality and when the annexation is reasonable and in the best interest of the community. This method requires a ruling by the district court of the district where the municipality is located, after a contradictory hearing with the property owners, that the annexation is reasonable and in the best interest of the over-all community. Act 126 has no such provision.

-3-

Act 338 provides for annexation after special election either without a petition or on the basis of a petition signed by owners of 25% in value of the resident property within such area.

Act 126 has no provision for annexation by special election.

Act 338 specifically states that its provisions do not apply to Rapides Parish. Apparently, the only way to annex property in Rapides Parish is under the provisions of La. R.S. 33:157.1 which was added to the law by Act 126 of 1972.

(This analysis of these two acts does not take into account the fact that the constitutionality of Act 338 is presently in question)

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LOUISIANA LEGISLATIVE COUNCIL

Memorandum

December 28, 1972

RE: Legal, technical and practical aspects to be considered in connection with any proposal to divide the parish of Ouachita into two parishes

This memorandum explores some of the more basic constitutional, statutory and practical requirements which would be necessary in order to divide the existing parish of Ouachita into two parishes, with the Ouachita River forming the common boundary between the two new parishes thus created.

The constitutional provisions applicable to the division of an existing parish into two parishes are first listed below, with pertinent comment with respect to the matter at hand.

Constitutional provisions

Article XIV, Section 1 authorizes the Legislature to establish and organize new parishes but provides that "no new parish shall contain less than six hundred and twenty-five (625) square miles, nor less than seven thousand (7,000) inhabitants; nor shall any parish be reduced below that area or number of inhabitants." (Emphasis added)

Comment. According to the 1970 Census of the United States, the population of Ouachita Parish is 115,387; the population west of the Ouachita River is 39,199 and that east of the Ouachita River is 76,188. Therefore, it seems clear that any division of the parish under which the Ouachita River forms the common boundary would fall within the population requirement of the constitution. However, the total land area of Ouachita Parish, according to the U. S. Census Reports of 1970, is listed at 638 square miles. We have made no assessment of the actual square miles contained in that portion of the existing parish lying on the east and west sides of the river; however, it appears that roughly two hundred seventy-three square miles of the land area lies on the east side of the river. Since the total area of the parish now exceeds the constitutional requirement by only some thirteen square miles, it seems obvious that any division into two new parishes would fail to meet this requirement, and no such

division would be permissible without amendment to the constitution specifically allowing the division as to Ouachita Parish or changing the general requirement above recited.

There are presently twenty-five (25) parishes with land areas of less than 625 square miles. The existing parishes having land areas of 270 square miles or less are West Baton Rouge (203 square miles), Orleans (205 square miles), St. John the Baptist (250 square miles) and St. James (253 square miles). These parishes are smaller than would be East Ouachita, which would only contain approximately 273 square miles; however, all of these parishes were created prior to the adoption of the 1921 Constitution in which the present land area limitation appears.

Forty-three parishes have populations less than the 39,199 persons which would compose a new West Ouachita Parish. The existing parishes having the smallest populations are Caldwell (8,517) and Cameron (7,685).

Article XIV, Section 2, provides that "All laws changing parish lines, or removing parish seats, shall, before taking effect, be submitted to the electors of the parish or parishes to be affected thereby, at a special election held for that purpose, and the lines, or the parish seat, shall remain unchanged unless two-thirds of the total vote cast at such election in each parish affected thereby, shall be in favor thereof."

Comment. In a 1910 decision the Louisiana Supreme Court, in Sandoz v. Sanders, 125 La. 396, 51 So 436, found that Article 278 of the Constitution of 1898 (Article XIV, Section 2 of the 1921 Constitution is identical), authorizing a change of parish lines by a two-thirds vote, when read with Articles 277 and 279 of that constitution (Article XIV, Sections 1 and 4 of the 1921 Constitution), which

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provides for the creation of new parishes and the changing and merging of parishes, did not apply to the creation of a new parish, though the effect was to change the lines of the old parish. Therefore, it appears from the pertinent constitutional provisions and the Supreme Court decision that the only thing necessary to create a new parish is a majority vote of the legislature if the parish contains sufficient population and land area.

Article XIV, Section 5 provides that "Whenever a parish shall be enlarged or created from territory contiguous thereto, it shall be entitled to a just proportion of the property and assets, and be liable for a just proportion of the existing debts or liabilities of the parish or parishes from which such territory shall have been taken."

Comment. The Supreme Court, speaking about Article 280 of the 1898 Constitution (Article XIV, Section 5) in Sandoz v. Sanders, *supra.*, stated at page 438 that "The apportionment here required to be made between the new parish and the old of the property and assets and liabilities of the old parish, is thus required to be made whenever the new parish is created ... Doubtless it would suffice for the Legislature to fix the basis for the apportionment thus required to be made, and let the parties, or the courts, work out the details, but at least must it provide a basis for the apportionment, else there is no basis upon which to make it." It may be deemed advisable that the creating legislation include at a substantial measure the details of the division of the assets and debts of the former parish in order to avoid the possibility of confusion and litigation.

The legislature used the provisions here cited to create the Parish of Beauregard out of the Parish of Calcasieu by way of Act No. 8 of 1912. Section 5 of Act No. 8 required the assets and liabilities to be divided between the two parishes as follows: "Each parish shall take the public immovable property situated within the limits of said parish, and shall assume and pay whatever balance may be due thereon after January 1st, 1913, and neither parish shall

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have any claim against the other on account of such public buildings or improvements. The remaining assets and liabilities of the parish shall be divided in such proportions as the present assessed valuation within the territory of which

the parish of Beauregard is formed shall bear to the total present assessed valuation of the parish of Calcasieu, as existing May 1st, 1912." This is the method used since 1910 in creating new parishes to make the division of assets.

If this form is used to divide Ouachita Parish into two parishes, West Ouachita would acquire very little public immovable property in the way of public buildings and the like; therefore, the new parish would find it necessary to purchase land and construct a courthouse, parish jail and other buildings to house all the new parish and some district offices. East Ouachita, on the other hand, would be required to take over any outstanding debt owing on these kinds of buildings in that parish without the benefit of the taxes collected in West Ouachita to pay for them.

The following statutory provisions relate to the creation of a new parish (R.S. 33:1 - 33:12):

R.S. 33:1 provides that "Immediately after the effective date of an act creating a new parish, the governor shall appoint and commission for the new parish five police jurors, who shall possess the qualifications required for police jurors, and two members of the board of election supervisors. These officers and the other officers appointed in accordance with this Part shall have the same powers and duties and receive the same compensation as other like officers throughout the state; and shall serve until their successors are duly elected or appointed and qualified, in accordance with this Part, or with the other laws of the state."

Comment. This law and the following provisions set out in detail how the new parish government shall be set up and spells out the costs which the new parish must assume in connection therewith.

R.S. 33:2 provides for the organization of the police jury; appointment of a registrar of voters of the police jury, division of the parish into not less than five separate wards to be known as justice of the peace and police jury wards; fix the limits of voting precincts therein; designate polling places in the wards and precincts; "fix the date for the holding of a special election, at which shall be elected for the parish a representative, a clerk of court, a sheriff, an assessor, a coroner, and for each ward one police juror, one

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member of the school board, one justice of the peace, and one constable, and all other parish officers required to be elected by the people; and prescribe the conditions under which a municipality may compete at this special election for the location of the permanent parish seat."

Comment. R.S. 31:1 and 31:2 point up forcefully the large number of parish officials for which a newly created parish must assume responsibility. The list includes at least ten categories, namely, police jurors, school board members, board of election supervisors, registrar of voters, justices of the peace, constable, clerk of court, sheriff, assessor and coroner. Others such as a parish treasurer, parish attorney and the like might be deemed necessary. The new parish would be required to find sufficient funds to pay the salaries, per diem or other compensation of its elective and appointive officials and funds for their employees, the expenses of their offices and buildings and supplies and equipment for their operations. It appears that there are at least five wards within the boundaries which would compose the new parish of West Ouachita; however, due to the great discrepancy in population between the wards, reapportionment likely would be necessary. In such event the city of West Monroe apparently would get approximately forty percent of the representation on the police jury.

East Ouachita would have to set up a completely revised government, as its wards would have to be reapportioned to give Monroe City approximately seventy percent of the parish police jury. Elections might be necessary to replace any officials who were forced to resign because they now live in the area which would fall within the new West Ouachita Parish.

R.S. 33:3 states that "As soon as the new parish is divided into justice of the peace and police jury wards as provided in R.S. 33:2, the registrar of voters in the parish shall make a complete registration of the qualified electors in the parish which he shall complete not less than ten days prior to the date fixed for the special election provided for in R.S. 33:2."

Comment. All the voters in West Ouachita must register in the new parish. They are not automatically moved from the rolls of the old parish to the new

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parish.

R.S. 33:4 provides for the selection of a parish seat.

R.S. 33:5 states that "As soon as the permanent location of the parish seat in the new parish is determined as provided for in R.S. 33:4 the police jury shall provide the requisite public lots, buildings, offices, seals, books, and appurtenances for the parish and for the various offices thereof."

Comment. This law provides with respect to some of the major expense which will be involved in the setting up of the governmental processes necessary to the operation and functioning of a new parish. The modern parish government must be set up to provide such things as public health and welfare unit, road construction equipment, parish library, parish warehouse, a courthouse, parish trucks and other vehicles, parish recreation areas, and many other services and equipment to carry out the functions of the new parish. This will entail a very large initial capital outlay which could require issuance of bonds, in addition to the expectable imposition of taxes for operations and maintenance as well as to support bonded or other indebtedness. The constitutional limitations on taxes and bonds could cause financial burden which perhaps could, to a limited extent, be offset by grants of state and/or federal funds. The number of taxpayers available to pay the costs of the new government could affect the kind, number and quality of the governmental services which each parish government could furnish its citizens.

R.S. 33:6, 33:7, 33:8 provide for the transfer of all records relative to persons or property situated in West Ouachita from the old parish to the new parish, with the new parish bearing all of the expense for the transfer. It also provides for the setting up of district court in the new parish.

Comment. The new parish will bear all of the initial expenses incurred in the transferring and setting up of records for the new parish. West Ouachita Parish also would be required to share the costs of the district court which serves it, including offices and courtrooms for district officers and judges, a clerk of court, court reporters and the like.

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R.S. 33:9 requires the tax collector of the existing parish to transfer a list of all licenses and property taxes assessed in the new parish, with the new parish tax collector having the right to collect these taxes from that year forward. The cost of transfer of these records is to be borne by the new parish.

Comment. This statute provides deals with taxes and tax records. It also confers on the new parish the right to collect these taxes, thus providing it a source of revenue until it takes action to levy its own schedule of license fees and taxes. It receives the income from licenses issued by it and the parish property tax levied within its area. The new parish must pay for the costs of transferring and the setting up the records for its purposes.

R.S. 33:10 provides that "All expenses incidental to the creation and organization of a new parish not specially mentioned in this Part or in the act creating the parish shall be paid by the treasurer of the new parish on the warrant of the president of the police jury."

Comment. This provision covers all other initial expenses of the new parish government, from the salary of a road grader operator to that of the parish bonding attorney and many other necessary employees, services and operations. It is noted that the expenses in the new parish necessarily will be funded from tax and license receipts and such other sources of revenue as are available under the constitution and laws.

R.S. 33:11 provides that "The police jurors appointed for a new parish in accordance with R.S. 33:1 shall divide the parish into school districts. The school fund of new parishes shall be provided in the same manner as other parishes."

Comment. Another major expense of the new parish will be its parish school system. Although much of the cost of public education is subsidized by the state, such items as school construction, salaries of teachers, school bus drivers and the like which exceed the state minimum salary schedules must be met at the parish level, that is, principally from parish school tax revenues.

R.S. 33:12 provides that "Any new parish established forms part of a district to which it previously belonged."

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Comment. With this new parish comes the costs of supplying new offices for all district officers who will be located in that parish, as well as the parish's proportionate share of the cost of maintaining the district offices and employees.

Conclusion

The division of Ouachita Parish into East and West Ouachita parishes will apparently require constitutional change with respect to the land area to be included in each. This could be by a general provision reducing the land area requirement for any future division of an existing parish or by a specific provision limited in application to the Ouachita Parish situation. It may well be a matter which could be directed to the attention of the Constitutional Convention of 1973, since a large number of parishes in the state could not be divided because of the present provision.

Neither parish would be the smallest in the state in either land area or population. However, the presently outstanding debt and existing financial obligations of Ouachita Parish, which now is borne by some 115,000 people, cumulated with the cost to the lesser number of people in two new parishes, each of which must provide most of the same services, may result in curtailment of quantity and/or quality of services each can support, particularly in the beginning.

Some of the initial expenses for the newly created parish includes:

- (1) Elections of officers; funding of salaries and benefits for officers and their employees.
- (2) Assumption of its pro rata share of outstanding indebtedness of the existing parish of Ouachita.
- (3) Setting up a new parish seat of government, including land for and construction of a courthouse and housing for all parish and district officials

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and furnishing and equipping and maintaining or operating same.

- (4) Creating a new sheriff's department.
- (5) Reregistering all qualified voters.
- (6) Paying for the transfer of all records dealing with any property or person in the new parish.
- (7) Creating and financing a new school system.
- (8) Creating all necessary special districts or agencies needed by the parish.

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CC/73 Research Staff

Subcommittee of Committee on  
Local and Parochial Government  
Drafting General Provisions of  
Local Government

March 30, 1973

Staff Memo No. 2

RE: Taxing Liability of Newly Incorporated Municipality

When an unincorporated area serviced by parochial special districts incorporates, it remains subject to the taxation of those districts until outstanding bonds have been retired. The newly-incorporated municipality may establish service districts of its own, but the discontinuance of parochial services does not relieve the citizens of the municipality of their existing obligations to the parish districts (See La. R.S.33: 2922; 33: 2927; 39: 569, Attachment I).

NOTES

Attachment No. 1 is omitted. It sets out the text of La. R.S. 33:2922 and 2927.

CC/73 Research Staff

Subcommittee of Committee on Local and Parochial Government Drafting General Provisions on Local Government

March 30, 1973

Staff Memorandum No. 3

RE: Provisions for Recall

Constitutional Provisions

Article 9, Section 9 authorizes the legislature to pass laws for the recall of any state, district, parish, municipal or ward officer, except judges of the courts of record and except as otherwise provided by the Constitution.

Statutory Provisions

Sections 341-357 of Title 42 of the Revised Statutes provide the means for recalling all public officials, excepting judges of the courts of record. A recall petition, signed by 25 per cent of the number of voters in the official's constituency, is directed to the Governor. The petition designates a chairman and a vice-chairman to act on behalf of the petitioners. Within ten days of receiving the petition, the parish registrar of voters certifies the number of petitioners and the number of electors in the voting

Staff Memo No. 3  
March 30, 1973  
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area. The Secretary of State certifies that the requisite number of voters has signed the petition before it is presented to the Governor. Within five days of receiving the petition, the Governor issues a proclamation ordering a special election to be held on the first Tuesday after the sixtieth day from the date of proclamation. The style and content of the ballot are specified by La. R. S. 42:351. If a majority of the voters choose to recall the official, the Governor declares the office vacant, and it shall be filled by the ordinary means. If the voters fail to recall the official on the appointed day, there can be no further attempt to recall him for eighteen months.

CC/73 Research Staff

Subcommittee of Committee on Local and Parochial Government Drafting General Provisions on Local Government

March 30, 1973

Staff Memorandum No. 4

RE: Existing Provisions for Acquisition of Property by Parish and Municipal Governments.

Constitutional Provisions

Article I, Section 2 provides that "Except as otherwise provided in this Constitution, private property shall not be taken or damaged except for public purposes and after just and adequate compensation is paid".

Article IV, Section 12 allows "the State, or any agency or political corporation or subdivision thereof" to acquire property for donation to the United States government for enumerated public purposes.

Article XIV, Section 14 (b.2) allows local governments to acquire industrial plant sites and to acquire or construct plant buildings and other appurtenances in order to encourage industrial enterprises. Section 14 (b.3), incorporating La. R. S. 39:991-1001, provides for the issuance of revenue bonds by political subdivisions and taxing districts for the purpose

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outlined in Section 14 (b.2). Note: Sections 993 and 996-1001 of Title 39 of the Revised Statutes were amended by Act 433 of 1972.

Article XIV, Section 14 (m) allows the legislature to authorize municipalities to issue bonds to improve or acquire revenue-producing public utilities.

Article XIV, Section 16 provides that parishes may "acquire servitudes of way by prescription in the manner prescribed by law".

Statutory Provisions

Local Services Law:

La. R. S. 33:1329 allows units of local government to acquire property in order to effectuate agreements they make to provide local services cooperatively.

Airport Zoning Law:

La. R. S. 2:389 authorizes political subdivisions to acquire air rights, servitudes, or other interests necessary to effectuate the Airport Zoning Law, that is, Title 2, Chapter 3, of the Revised Statutes.

Bonds to Acquire Plant Sites:

La. R. S. 39:991-1001 detail the means through which political subdivisions may accomplish industrial encouragement allowed by Article XIV, Section (b.2).

The traditional approach to constitutional home rule, the McBain theory, treated local governmental units and state governments as separate entities with unrelated spheres of legislative concern. The local unit was empowered to adopt a charter and to pass legislation relating to local affairs, often through a lengthy enumeration of powers. The state could only enact legislation of general concern. Traditional home rule encouraged repeated court battles as local and state governments sought to determine areas of general concern and to augment their respective legislative powers.

As a result of the confusion, the Colorado Governor's Local Affairs Study Commission reported in 1964 that the Colorado courts, rather than the legislature, had allocated jurisdiction and that, in general, they had given superior status to the state's authority when it conflicted with municipal jurisdiction (see Attachment I).

The Fordham plan made the home rule charter the restricting instrument and recognized that no governmental powers are, by nature, exclusively local or general. It thereby eliminated the need for tedious court proceedings. The Fordham draft reads as follows:

A municipal corporation which adopts a home rule charter may exercise any power or perform any function which the legislature has power to devolve upon a non-home rule charter municipal corporation and which is not denied to that municipal corporation by its home rule charter, is not denied to all home rule charter municipal corporations by statute and is within such limitations as may be established by statute.\*

During the last decade, many constitutional conventions and constitutional commissions revising state constitutions or writing new ones have adopted some modification of the Fordham plan. Article XI, Section 5 of the Texas Constitution, as amended in 1912, is an early partial adaptation of the Fordham principle. It allows cities with populations exceeding 5,000 persons to write charters and exercise powers consistent with general laws. Yet the article sets municipal debt limitations and restricts the cities' taxing powers. Like the Texas provision, the Wisconsin home rule provision (Article XI, Section 3), adopted in 1963, applies only to municipalities.

Some recent constitutions have dealt separately with home-rule municipalities and with county governments:

\*Source: Jefferson B. Fordham, "Home Rule-AMA Model," National Municipal Review, March, 1955, p. 140.

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#### Public Improvements:

La. R. S. 33:4621-4624 allow municipalities and parishes to acquire property for their public purposes; to own and provide for airports, parks, and bombing ranges; to lease or donate same to the federal government; and to apply all existing expropriation laws.

La. R. S. 33:4671-4673 provide authority for municipalities with populations exceeding 25,000 persons to build, own, and operate a municipal auditorium or convention hall.

La. R. S. 34:361-366 allow municipalities and parishes to acquire property and construct works in order to improve or build canals and other navigable watercourses. They are authorized to issue bonds and levy taxes in order to cooperate with state and federal governmental authorities, and, for sole federal improvements, to acquire necessary lands and donate them to the United States.

#### Public Utilities:

La. R. S. 19:101 authorizes municipalities to expropriate electric lights, gas, or waterworks plants when to do so is in the public interest.

La. R. S. 33:4162 provides that any taxing division authorized to issue bonds under Article XIV, Section 14 may acquire and operate revenue-producing public utilities. No municipal corporation may purchase or lease gas fields for the purpose

of producing gas wells. Parishes may lease gas lands, distributing systems, and wells.

#### Recreation:

La. R. S. 33:4511-4552, 4556-4557, and 4559 authorize municipalities to build golf courses on lands they own, acquire lands for playgrounds or recreation centers, accept donations, issue bonds to acquire facilities, and, when populated by more than 100,000 citizens, to acquire, equip, own, and operate opera houses and dramatic halls.

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Subcommittee of Committee  
on Local and Parochial  
Government Drafting  
General Provisions on Local  
Government  
April 5, 1973  
Staff Memorandum No. 5

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1) The Florida Constitution of 1968 grants similar residual powers to chartered counties [Article VIII, Section 1 (g)] and to chartered municipalities [Article VIII, Section 2 (b)].

2) The proposed constitution in Arkansas, rejected in 1970, included similar extensions of the Fordham plan to both kinds of local unit (Article VI, Sections 3, 12).

RE: Alternatives and Modifications of the Fordham Plan Found in State Constitutions.

3) New Mexico's proposed constitution, rejected in 1969, authorized chartered cities [Article VI, Section 3 (D)] and consolidated city-county governments [Article VI, Section 4 (D)] to exercise all powers not expressly denied by charter or general law.

4) In Maryland, a state with strong county government, the convention's proposed constitution, rejected in 1968, applied the Fordham plan only to counties. Every county was directed to write an "instrument of government" and could thereafter exercise governmental powers, other than judicial functions, not denied by the instrument, the constitution, or the General Assembly (Article VII, Sections 7.02, 7.04). However, either the county or the General Assembly could grant, as well as withdraw later, all powers of the county to a municipality (Article VII, Sections 7.06, 7.07).

Other recent constitutions authorize identical powers to home rule municipalities and counties in the same section:

1) Article X, Section 1 of the Alaska Constitution of 1956 defines the article's purpose: "to provide for

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maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions." Cities are considered a "part of the borough in which they are located" (Article X, Section 7). The legislature classifies boroughs and cities; and "first class" units of both may adopt home rule charters (Article X, Section 9). The legislature may grant home rule status to other boroughs and cities (Article X, Section 10). Any borough or city with home rule powers may "exercise all legislative powers not prohibited by law or by charter" (Article X, Section 11).

2) The Illinois Constitution of 1970 provides that "Except as limited by this Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs..." [Article VII, Section 6 (a)]. The article makes no mention of the charter process. It grants automatic home rule to a county with an elected chief executive and to a municipality with a population exceeding 25,000 persons. Such a county or municipality may elect to reject home rule status. A municipality, but not a county, not granted automatic home rule may elect to take home rule powers [Article VII, Sections (a)-(b)].

All home rule units are granted specific power to provide for their officials and to fund necessary improvements and special services [Article VII, Section 6(f), (1)].

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They are specifically denied the powers to provide for the punishment of a felony or incur debt for more than forty years [Article 6, Section 6 (d)]. Home rule units may be limited by the legislature in the performance of certain regulatory and fiscal functions [Article VII, Section 6 (e), (j), (k)]. Home rule units may exercise powers concurrently with the state unless prevented by law from doing so [Article VII, Section 6 (i)]. The General Assembly may preempt any powers of the local unit not enumerated within this article [Article VII, Section 6 (h)].

Finally, the 1972 Montana Constitution and the final report of the Washington Constitutional Revision Commission of June, 1969, allow for the development of future home rule units other than municipalities and counties:

1) The Montana Constitution defines local governmental units as including, but "not limited to, counties and incorporated cities and towns. Other local government units may be established by law" (Article XI, Section 1). The article directs the legislature to provide procedures for such units, or combinations thereof, and to adopt "self-government" charters (Article XI, Section 5). It further authorizes "a local government unit adopting a self-government charter" to "exercise any power not prohibited by this constitution, law, or charter" (Article XI, Section 6).

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2) The Washington Revision Commission devotes the first four sections of Article VIII to describing the proposed home rule powers of "any county or city, or other local unit authorized by law to perform general governmental functions" (Article VIII, Section 3). Such a unit is authorized to "exercise any legislative power or perform any function which is not denied to it" by its charter, the constitution, or general laws applicable to units of its class (Article VIII, Section 4).

In summary, most recent constitutions grant local units residual home rule powers. A local unit's power is limited only by its charter, general law, and the constitution. Illinois modifies the Fordham plan by eliminating the charter process. At the same time, the Illinois home rule article restricts home rule and details ways by which the legislature may further restrict it.

Other modifications include the extension, in some recent constitutions, of residual home rule to county governments and to future local units of government which may be established.

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NOTES

Attachment No. 1 which reproduces "Home Rule Cities" from Interim Report of the Governor's Local Affairs Study Comm. of 1964 is omitted.

initiated amendment petition: qualified electors numbering not less than 10 per cent of the number who voted in the preceding general election (Article VIII, Section 3).

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CC/73 Research Staff

Subcommittee of Committee on Local and Parochial Government Drafting General Provisions on Local Government

April 9, 1973

Staff Memorandum No. 6

CC/73 Research Staff

Subcommittee of Committee on Local and Parochial Government Drafting General Provisions on Local Government

April 10, 1973

Staff Memorandum No. 7

RE: Constitutional Provisions for Home Rule Charter Alterations

Recent state constitutions vest in either the legislature and/or the home rule charter the power to provide charter writing and amending processes. The Wisconsin Constitution as amended in 1963 and the Florida Constitution of 1968 direct charter amendment "pursuant to state law." The constitutions of Montana (1972), Pennsylvania (1969), and Alaska (1959) direct the legislature to set general laws for the enactment of charter changes. Each of those three constitutions, however, authorizes the electors or the governing authority of the chartered unit to initiate the process when the legislature fails to act as directed:

1) Montana Constitution, Article XI, Section 5 (2):

"If the legislature does not provide such procedures by July 1, 1975, they may be established by election either:

- (a) Initiated by petition in the local government unit or combination of units; or
- (b) Called by the governing body of the local government unit or combination of units."

2) Pennsylvania Constitution, Article IX, Section 2:

"If the General Assembly does not so provide, a home rule charter or a procedure for framing and presenting a home rule charter may be presented to the electors by initiative or by the governing body of the municipality."

3) Alaska Constitution, Article X, Section 9:

"In the absence of such legislation, the governing body of a borough or city of the first class shall provide the procedure for the preparation and adoption or rejection of the charter."

Although constitutions generally direct no charter change without approval of the majority of qualified electors, few other details encumber constitutional provisions for charter amendments. Only the Texas article of 1912, in providing that no charter shall be amended more often than biennially, limits the frequency of change. Only the final report of the Washington Revision Commission of 1969 prescribes the number of signatories necessary to validate a locally

RE: Provisions in Recent Constitutions and Recent Constitutional Amendments authorizing consolidation of local governmental units and intergovernmental cooperation.

Recent state constitutions provide for jurisdictional changes of local governmental units in a variety of ways. The Hawaii Constitution authorizes the legislature to create counties and "other political subdivisions" within the state and to provide for the government thereof (Article VII, Section 1). Alaska's Constitution establishes a local boundary commission within the executive department of the state and authorizes it to recommend territorial changes to the legislature (Article X, Section 12). The Montana Constitution allows the changing of a county boundary or a county seat when approved by a majority of the voters in each affected county (Article XI, Section 2).

Some recent constitutions provide specifically for the merger and consolidation of local governmental units (See Attachment I). The Pennsylvania Constitution, adopted in 1968, directs the legislature to provide a uniform procedure for consolidation, authorizes local voters to order consolidation through initiative and referendum, and mandates the creation

of an agency to advise municipalities on consolidation problems. The Florida Constitution of 1969 authorizes the consolidation of a county government with the government of one or more municipalities within it, and directs the legislature to pass general laws for the merger of municipalities. Limiting its consolidation provision to county government, the 1970 Illinois Constitution, like the Florida and Montana Constitutions, requires the approval of a majority of the voters in each affected county to effect a change. It directs the legislature to pass a general law for county consolidation. Finally, the North Carolina Constitution of 1971 provides that the merger of a county and a municipality shall result in the constitutional classification of the resulting unit as both a city and a county.

Like consolidation provisions, intergovernmental relations provisions in recent state constitutions lack uniformity (See Attachment II). The broadest provisions are those in the Alaska, Illinois, and Montana Constitutions. All three constitutions authorize local governmental units, including school districts in Montana and Illinois, to cooperate and contract with other local units within the state and outside it. They also provide for cooperation and contractual relations between a municipality and the state or federal government. The Pennsylvania constitution similarly allows a municipality to contract and cooperate with another local unit and with the state or federal government.

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The constitutions of Hawaii, Connecticut, and Florida restrict cooperation by implication. The Hawaii constitution limits a local unit, with the approval of the legislature, to cooperate with another state and the federal government "in matters affecting the public health, safety, and general welfare..." Unlike other state constitutions, both the Hawaii and the Connecticut constitutions place full responsibility for intergovernmental cooperation with the legislature. The Florida constitution limits cooperation by providing only for intrastate agreements.

For recent consolidation and cooperation provisions amendments to older state constitutions, see Attachment III.

#### NOTES

Text of the various constitutional provisions cited in the text of Memo No. 7 have been omitted.

CC/73 Research Staff  
Subcommittee of Committee  
on Local and Parochial  
Government  
Drafting General Provisions  
April 11, 1973  
Staff Memorandum No. 8

RE: ZONING BY MUNICIPALITIES AND PARISHES AND RECENT UNITED STATES SUPREME COURT DECISIONS ON THIS SUBJECT

Municipal and parish zoning, are expressly treated in Article XIV, Section 29 (as amended) of the Louisiana Constitution of 1921. Originally, Article XIV, Section 29 simply authorized municipalities to zone their territory, create residential, commercial and industrial districts, and to prohibit the establishment of places of business in residential districts. The constitutional provision

was enacted to counter the effect of Calvo v. City of New Orleans, 136 La. 480, 67 South. 338 (1915), and Blaise v. City of New Orleans, 142 La. 73, 76 South. 244 (1917), which held that the Charter of the City of New Orleans did not give the council authority to enact zoning ordinances forbidding business establishments in designated residential districts.

By Act 27 of 1918, the Legislature gave to municipalities of 50,000 inhabitants or more the express authority to adopt zoning ordinances. In 1918, this provision applied only

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to the City of New Orleans. Within three years the public policy of the State was expressed in Article XIV, Section 29 of the Constitution of 1921, thereby extending to all municipalities the rights conferred in Act 27 of 1918.

The Louisiana Supreme Court held as early as 1923 that the Constitution of Louisiana need not specifically provide for zoning ordinances. In State ex. rel. Civello vs. City of New Orleans, 154 La. 271, 97 So. 440, 445 (1923), Mr. Justice O'Neill, speaking for the Court, said:

The language in the new constitution does not purport to limit the discretion of the municipal government in that [zoning] respect. As we have said, this affirmative expression in the new constitution was not at all necessary. It was sufficient, for the exercise of the police power in the matter of city planning and zoning, that the constitution did not forbid it. The manifest purpose of the expression in the new constitution was, not to confer any less authority upon all municipalities than the legislature had conferred upon New Orleans...but to make sure that the doctrine of the decision in the Calvo Case and Blaise Case should not continue to have the force of law.

Both the Louisiana and the United States Supreme Court have held that the principal question posed by zoning of cities is whether the zoning of a municipality is a valid exercise of the police power. (See State ex. rel. Civello v. City of New Orleans, Supra, State ex. rel. Dema Realty Co. v. McDonald, 168 La. 172, 121 So. 613 (1929), City of New Orleans v. LaNasa, 230 La. 289, 88 So. 2d 225 (1956), Plebst v. Barnwell Drilling Co., 243 La. 874, 148 So. 2d 584 (1963), Village of Euclid v. Ambler Realty Co., 272 U.S.

page 3

365 (1926), citing with approval Civello). In each of the above cases, the proposition was resolved in the affirmative.

The constitution has been amended to incorporate the Airport Zoning Act of 1944 and to confer to certain enumerated parishes the authority to zone their territories (See Article XIV, Section 29, Subsections (a) - (e)). This latter series of amendments purporting to confer the "right to zone" upon parishes appears to have been obviated by the

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Louisiana Supreme Court's ruling in Plebst v. Barnwell  
Drilling Company Apra.

In Plebst, the Court again was called upon to consider the nature and scope of the legislative power to regulate zoning and the limitations placed upon those powers by the Constitution of 1921. After a review of the constitutional provisions as amended, the legislative enactments and the jurisprudence, it concluded:

The power to enact zoning regulations is solely and only the exercise of police power..The police power of the State, which is co-extensive with sovereign power, denotes the power of the State to impose restraints on private rights which are necessary for the general welfare.

In this connection, it is well to observe that it is fundamental that the Legislature is supreme except when restricted by the constitution and that, unlike Congress, which can do nothing that the Federal Constitution does not authorize, may do everything that the State Constitution does not prohibit. (citing authorities)

The Court strongly suggested that Article III, Section 1 and Article XIX, Section 18 are authority enough for legislative enactment in the area of zoning. Those articles

page 4

provide succinctly:

The legislative power of the State shall be vested in a Legislature, which shall consist of a Senate and House of Representatives (Article III, Sec. 1).

The exercise of the police power of the State shall never be abridged ( Article XIX, Section 18).

The above provisions are deemed by the Louisiana Supreme Court to provide an adequate constitutional basis for zoning, independent of Article XIV, Section 29.

Consistent with the rulings of the Louisiana Supreme Court, cited supra, is the landmark U. S. Supreme Court decision of Village of Euclid v. Ambler Realty Company, 372 U. S. 365 (1926) which cites with the language and incorporates the conclusions of Civello.

#### NOTES

La. Const.(1921) Art.3, Sec.1; Art. 14, Sec.29; Art. 19,Sec.18 text are omitted.

Although a Montana study reports more special districts in America than municipalities and counties combined, special districts receive little detail in recent state constitutions. Legislative bodies usually derive authorization for their creation from a general power to establish local governmental units rather than from a specific constitutional sanction.

Students of local government have debated the rapid growth of special districts since World War II, and weighed alternative ways to control it. So long as local governments remain unable or unwilling to provide needed services, observers concede the need for the continuation of certain service districts. To discourage the creation of unnecessary districts, Russell W. Maddox and Robert F. Fuguay, authors of State and Local Government (1966) suggest a constitutional measure: "...general purpose governments such as counties and municipalities must be granted adequate authority to meet the varying needs that develop within their jurisdictions." They further urge local officials to recognize and meet area needs before they become acute. (p. 543)

Several state constitutions provide generally for municipal or county regulation of special services. In Alaska, the legislature may delegate taxing powers to organized boroughs (counties) and cities only (Article X, Section 2). The constitution directs borough governments to create "service areas", but it encourages the utilization of existing areas in lieu of the establishment of new ones. No new service area can be created if the additional service required can be "provided by an existing service area, by incorporation as a city, or by annexation to a city." The borough also has some means of controlling the area's activities: It may alter or abolish a service area it has created (Article X, Section 5).

The Illinois Constitution empowers home rule units to impose taxes upon areas within their boundaries in order to finance special services (Article VII, Section 6). It limits the power of a special district to that specifically granted by law and prohibits the legislature from extending to any district the power to make a special assessment if the district had no such power prior to the adoption of the constitution (Article VII, Section 8). Unlike the Alaska Constitution, the Illinois Constitution hints at no means of local control over the operations of any special district.

Finally, the constitution of New York authorizes a local government to create special tax districts and apportion "its cost of a governmental service or function upon any portion of its area, as authorized by act of the legislature" [Article IX, Section 1(g)]. Other constitutions, notably Hawaii, Michigan, and

CC/73 Research Staff

Subcommittee of Committee on  
Local and Parochial Government  
Drafting General Provisions on  
Local Government

April 24, 1973

Staff Memorandum No. 9

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Massachusetts, vest the power to establish and provide for the government of special districts in the legislature.

Some experts believe the statutes, rather than the constitution, should direct improvements of special district government. John C. Bollens terms the legislature the "key to district

RE: The relationship between special district government and local general governmental units as provided by state constitutions

reform" in his book, Special District Government in the United States (1957). "Unhampered by state constitutional or local charter restrictions," he writes, the legislature has the responsibility to modify special districts (pp. 259-260).

The Advisory Commission on Intergovernmental Relations suggests statutory reform to encourage consolidation of existing special districts and to limit the creation of new ones. Specifically, it recommends the establishment of a local agency empowered to veto the formation of a new district (The Problem of Special Districts in American Government, Report A-22, 1964, p. 75).

One state recommendation for statutory reform is of particular interest. It provides: Colorado: Governor's Local Affairs Study Commission Local Government in Colorado, Final Report, September 1966 (352. 1/C7, Pt.3).

County Government - It recommended a Special District Control Act (which was adopted) and legislation authorizing counties to establish subdistricts under the supervision of the county governing board to perform those municipal-type services in unincorporated areas now provided by special districts. Existing special districts could be transferred gradually to county control and phased out. This would be in keeping with the commission's basic philosophy

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that school districts, counties, and municipalities should be the basic local government units in the state.

In summary, no state constitution specifically permits a local governmental agency to enforce coordination between its offices and the special districts within its jurisdiction. When modern constitution-makers seek to limit the power of the special district, they may restrict the district's sources of revenue, vest the power to create the district in the local government unit with the approval of the legislature, and discourage the creation of unnecessary districts.

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#### NOTES

Text of Alaska(1959) and Illinois(1970) constitutional provisions cited in the text has been omitted.

CC/73 Research Staff

Subcommittee on Special Districts;  
Transportation; Ports; and Harbors  
of the Committee on Local and  
Parochial Government

May 5, 1973

Staff Memorandum No. 10

RE: Article VI, Section 27. Necessity for this section of Article VI to be included in the statutes.

Since this provision of the constitution refers only to a single causeway and since said causeway has been constructed, there is no need for its retention in the constitution, or its inclusion in the statutes.

CC/73 Research Staff

Delegate Request

April 25, 1973

Staff Memorandum No. 10A

RE: Authority of Constitutional Convention to limit terms of elected or appointed state or local officers.

As noted in Huff v. Selber, 10 F. (2d) 236, restrictions placed on constitutional conventions have been uniformly held by the Supreme Court of Louisiana to have deprived the convention of the power to adopt measures "touching" upon those subjects which the Legislature specifically mentioned in the act calling the convention. State v. American Sugar Refining Co., 137 La. 407, 68 So. 742; Foley v. Dem. Com., 138 La. 220, 70 So. 104; Hayne v. Assessor, 143 La. 714, 79 So. 280.

The compensation allowed the clerk of the district court under Acts 1912, No. 212, making him ex officio registrar of voters, is not a salary, but fees, and Const. 1921, Art. VIII Sec. 18, providing for the appointment of a registrar of voters in a parish by the police jury, does not reduce the salary of the clerk of the court within the meaning of Acts 1920, No. 180, calling a constitutional convention and prohibiting it, among other things, from reducing the salaries of parochial or municipal offices, as the word "salaries" as there used means salaries, as distinguished from fees.

Neither restriction in call for constitutional convention, forbidding convention to reduce term of office, nor schedule of Constitution, deprived the Legislature of power to reduce

terms of parish health officer or boards of health. Gouaux v. Smith, 1926, 160 La. 617, 107 So. 466.

The proposal in the form of Acts 1913, Ex. Sess., No. 1, having been approved and ratified by the people, constituted a mandate to the convention about to be convened, containing a number of restrictions. Held, that article 190 of the Constitution of 1913, if applicable to the district attorney for the parish of Orleans, enlarged the duties of that official in violation of the provisions of existing laws, "touching, relating to, or in any manner affecting...the term of office, duties or compensation of any existing officer" and was, therefore, in that particular, null and void. Held, further, that, as under the law then existing, the district attorney of the parish of Orleans had no authority to represent the state except in criminal cases, and as his duties had not been enlarged so as to include civil cases, he had no capacity to represent the state in this litigation. State v. American Sugar Refining Co., 1915, 137 La. 407, 68 So. 742.

Acts 1912, No. 212, providing that the clerks of the district courts should be ex officio registrars of voters, which would be offices of trust and profit, in view of the then existing Const. 1913, art. 170, providing that no person should hold or exercise at the same time more than one office of trust or profit,

except that of justice of the peace or notary public, does not create a separate office, and the appointment of a registrar of voters by the police jury of a parish in pursuance of Const. 1921, art. 8, §18, is not a shortening of the term of office of a

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parochial officer, which is forbidden by Acts 1920, No. 180, calling the convention at which the constitution was adopted and limiting its powers.

La. 1921, Act No. 180 of 1920, calling a constitutional convention and providing (section 1, par. 4, subd. "b") that it shall not ordain or frame any article or provision whereby "the terms of office of any of the present parochial, or municipal offices, whether elected or appointed, shall be reduced or shortened," applies only to offices to which the incumbent has been elected or appointed.--Lobrano v. Police Jury of Parish of Plaquemines, 90 So. 423, 150 La. 14.

(3) La. 1919. In so far as delegates in constitutional convention of 1913 exceeded limitation put upon their powers by statute calling convention, as by making the radical change in article 291, relating to taxes for roads, etc., the result was invalid.--Sheridan v. Police Jury of Washington Parish, 82 So. 386, 145 La. 403.

(4) La. 1921. In view of LSA-Const. art. 21, under Act No. 180 of 1920, providing for submission to the people of a proposition to hold a constitutional convention, the convention has no power to enact legislation, as by providing that the membership of any attorney at law in the convention shall be a peremptory cause of continuance in any case in which he may be engaged.--Pender v. Gray, 88, So. 786, 149 La. 184.

(5) La. 1922. Under Act No. 180 of 1920, approved by the people, and providing for the calling of a convention to frame and adopt a new constitution, the power of the convention, with certain exceptions was as full as could be conveyed by the Legislature and the people.--State v. Jones, 92 So. 310, 151 La. 714.

(6) Under Acts 1920, No. 180, approved by the people, and providing for the calling of a convention to frame and adopt a new Constitution, the power of the convention, with certain exceptions, was as full as could be conveyed by the Legislature and the people. State v. Jones, 1922, 151 La. 714, 92 So. 310.

CC/73 Research Staff

Subcommittee on Special Districts;  
Transportation; Ports; and Harbors  
of the Committee on Local and  
Parochial Government

May 5, 1973

Staff Memorandum No. 11

2

RE: Provisions being considered by the subcommittee..obsolete.

Article VI, Sections 24 and 24.1 are obsolete. Act No. 16 of the special session of the Legislature of 1918 provided for the payment of the bonds in twenty years. Therefore, the bonds were retired in 1938.

CC/73 Research Staff

Delegate Request

April 25, 1973

Staff Memorandum No. 11A

CC/73 Research Staff

Subcommittee on Special District  
Transportation; Ports; and Harbors  
of the Committee on Local and  
Parochial Government

May 5, 1973

Staff Memorandum No. 12

RE: Authority of the Louisiana Legislature to limit actions of the Constitutional Convention--Conventions of 1898, 1913, and 1921.

The following are court decisions applicable to the authority of the Louisiana Legislature to limit the actions of the Constitutional Convention:

(1) Constitution of 1989 being silent as to a constitutional convention, held, that the power to originate proceedings to frame a new constitution rested with the legislature. State v. American Sugar Refining Company, 68 So. 742, 137 La. 407.

(2) Under call assembling constitutional convention of 1913 prohibiting change of duties of any existing officer, constitutional amendment giving Courts of Appeal jurisdiction of all cases decided by the district courts involving less than \$2,000 was prohibited and hence is void. Wunderlich v. New Orleans Ry. and Light Co., 81 So. 741, 145 La. 21.

RE: Article XIV, Section 45, Louisiana Constitution of 1921. The Sabine River Authority.

The Sabine River Compact entered into by the States of Louisiana and Texas is not included in the Constitution of the State of Texas. It is included in Title 128, Article 7466i of the Texas Statutes; a copy of which is hereby attached.

Mr. Robbins of the Attorney General's Staff rendered an oral opinion that by placing the Sabine River Authority in the Louisiana Statutes, no agreement between the two states would be impaired.

#### NOTES

Text of the statute cited in the memo has been omitted.

CC/73 Research Staff  
Delegate Request  
April 25, 1973  
Staff Memorandum No. 12 A

RE: Ratification of existing units of government

Provisions relative to ratification of existing local governments in recent constitutions are usually placed in the transition schedule; however, the proposed Maryland Constitution included a ratifying section within the local government article. The proposed section prohibited the merger, dissolution, and boundary alterations of existing units without approval by the governing bodies of the units affected or except as prescribed by law (Article VII, Section 7.05).

The Florida schedule recognizes the status of municipalities, counties, and special districts and their "powers, jurisdiction, and government" [Article VIII, Section 6 (b)]. The Alaska schedule does likewise and adds a provision for the creation of new local subdivisions "only in accordance with this constitution" (Article XV, Section 3).

The Illinois schedule continues existing townships and orders boundary alterations to follow constitutional guidelines. Furthermore, it directs changes in the number of members on county boards in accordance with Article VII, Section 3 (a) [Transition Schedule, Section 5 (a), (b), (c)].

Finally, the most recent constitution, adopted by Montana in 1972, includes a general transition provision which protects existing local governmental bodies by implication: "The rights and duties of all public bodies" are retained [Transition Schedule, Section 6 (1)].

In summary, recent state constitutions ratify existing local governmental units in brief statements within the constitutions' schedules.

NOTES

Transition schedule provisions cited in the text of the Memo have been omitted.

CC/73 Research Staff  
Subcommittee on Special Districts;  
Transportation; Ports; and Harbors  
of the Committee on Local and  
Parochial Government  
May 5, 1973  
Staff Memorandum No. 13

at its present level of \$95,000,000. In addition, references to the navigation canal are obsolete since the canal is now constructed. Specifically, reference made to contracts made with the Board of Levee Commissioners of the Orleans Levee District, city of New Orleans through the Belt Railroad Commission are archaic.

Reference to Act 180 of 1908 and Article 321 of the Constitution of 1913, and Act 133 of 1910 and Article 322 of the Constitution of 1913, is obviously no longer needed. Neither is reference to Act 244 of 1914.

- 2) Section 16.1: Archaic.
- 3) Section 16.2: Specifically Part 2 prohibiting tax exemption beyond 1960 is outdated.
- 4) Section 16.3: Unnecessary; self-operative provision.



BY: HENRY  
CRUMMETT  
MODERATOR  
ROBERTA M. DUNCAN  
CLERK

CC/73 Research Staff  
Subcommittee on Special Districts;  
Sewerage; Water; Levee; etc.  
May 14, 1973  
Staff Memorandum No. 14

RE: The effect upon the ability of the Stadium and Exposition District to refund bonds if Article XIV, Section 47 is removed from the Constitution and placed in the statutes.

Under provision of Article XIV, Section 47(J) the Stadium and Exposition District is authorized to issue refunding bonds and directed to "provide for the security of the bonds." Article XIV, Section 47(S) provides that "No bond issued under this amendment shall be secured by the faith and credit of the state."

According to the Louisiana Supreme Court, however, the state becomes responsible for any bonds issued by the district when a lease agreement between the state and the district becomes operative on July 1, 1974.

Article IV, Section 15 of the Louisiana Constitution of 1921 and Article I, Section 10 of the Constitution of the United States forbid state laws impairing the obligation of contract. The above-mentioned lease agreement pledges the faith and credit of the state. Outstanding bonds will be protected by contractual obligation. Refunding bonds slated for issuance in 1983 will be protected as well. The legislature must either authorize their issuance or appropriate funds to absolve the outstanding debt.

Therefore, if Article XIV, Section 47 is deleted from the constitution and made statutory, both outstanding bonds and the ability of the district to refund bonds will be secured.

Attached is the Preliminary Official Statement of June 22, 1971, which explains the contractual relationship between the state and the district and the obligation of the state to secure the bonds.

Sources: Oral reports from Henry Julien, Office of the Attorney General; Charles Gaiennie, Director of State Debt Management; and Benny Turcan, Division of Administration.

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RE: References in the constitution relative to Port of New Orleans being considered by Subcommittee on Special Districts; Transportation; Ports; and Harbors that are obsolete.

- 1) Article VI, Section 16: Part of this section is obsolete since references in it to bonded indebtedness have been superseded by Section 16.5. Section 16.5: Sets the bonded indebtedness

NOTES

Prospectus of the Louisiana Stadium and Exposition District of June 22, 1971 is omitted.



F. L. HINDY  
Chairman  
NORMA M. DUNCAN  
Director of Research

CC/73 Research Staff  
Subcommittee on Special Districts;  
Sewerage; Water; Levee; etc.  
May 14, 1973  
Staff Memorandum No. 15

RE: The ability of the city of Lake Charles to reclaim portions of Lake Charles without constitutional sanction.

R.S. 9:1101 designates bayous, rivers, streams, lagoons, bays, lakes, and the beds thereof "not under the direct ownership of any person on August 12, 1910" as state lands. The statute reiterates Articles 450, 453, and 455 of the Revised Civil Code of 1870.<sup>1</sup>

A constitutional provision (Article IV, Section 2)<sup>2</sup> prohibits the legislature from alienating state lands except for purposes of reclamation. The provision, therefore, protects the right of the city of Lake Charles to reclaim portions of the bed of Lake Charles with legislative approval.

The issuance of municipal bonds for specified public improvements is authorized in Article XIV, Section 14(b.1).<sup>3</sup> Because the city of Lake Charles has title to the lands in question, the provision assures the city's right to issue bonds, with legislative approval, in order to finance reclamation and lakefront development.

The 1970 report of the Law Institute recommends the deletion of Sections 39, 39.1, 44, and 44.1 of Article XIV from the constitution. The two constitutional provisions cited above suggest that the four amendments relative to the reclamation of Lake Charles by the city of Lake Charles and to the funding of lakefront improvements are transferrable to the statutes.

<sup>1</sup>See comments by Harriet S. Daggett, La. R.S., Title 9, Code Book II, Chapter I, p. 252.  
<sup>2</sup>See Attachment I.  
<sup>3</sup>See Attachment 1.

NOTES  
La. Const. (1921) Art.4, Sec.2 and Art. 14, Sec. 14 are omitted.

opinion that the removal of Article XIV, Section 45 would have no effect on any outstanding bonds issued by the Sabine River Authority as provided for in said article.

In addition, Mr. Charles Gaiennie of the Treasurer's Office offered his opinion that since the bonds have already been issued there is no need to even mention the bonds in the statutes since it would be impossible to impair the contractual obligation.

CC/73 Research Staff  
Subcommittee on Special Districts;  
Sewerage, Water, Levee, Drainage  
and other Related Districts of  
Committee on Local and Parochial  
Government  
May 18, 1973  
Staff Memorandum No. 17

The Bayou Lafourche Fresh Water District was authorized by Act 113 in July, 1950. It was given constitutional status by an amendment in November of that same year. In 1952, Act 192, a copy of which is attached hereto, amended Act 113. Both legislative acts as well as the constitutional amendment allow the district to charge, on a gallonage basis, for furnishing water to the incorporated municipalities within its territorial limits. The powers of the district are further protected by R.S. 33:4164, which allows it to make contracts with the municipalities it serves for the sale of water (See Attachment II). The constitutional provision is therefore not necessary, for the Bayou Lafourche Fresh Water District is already statutory.

The Constitutional Revision Commission of 1971 recommended the deletion of Article XV, Section 3, and the insertion of a general section "authorizing creation of special districts by the legislature with such powers as the legislature deems appropriate with certain limitations."<sup>1</sup>

<sup>1</sup>Report of the Constitutional Revision Commission on Local Government, 1971, pp. 77-78.

NOTES  
Statutory material cited in the Memo has been omitted.



F. L. HINDY  
Chairman  
NORMA M. DUNCAN  
Director of Research

CC/73 Research Staff  
Subcommittee on Special Districts;  
Transportation; Ports; and Harbors  
of the Committee on Local and  
Parochial Government  
May 14, 1973  
Staff Memorandum No. 16

CC/73 Research Staff  
Subcommittee of Committee on  
Local and Parochial Government  
Drafting General Provisions on  
Local Government  
June 6, 1973  
Staff Memorandum No. 18

RE: Outstanding Bonds issued by the Sabine River Authority; Removal of the Sabine River Authority (Article XIV, Section 45).

Mr. Julien of the Attorney General's Office rendered an oral

RE: The Supremacy Clause. The supremacy of the constitution over all units of government; the supremacy, under the constitution, of general laws over ordinances passed by local governmental units

Most state constitutions make some statement declaring the supremacy of the constitution and the supremacy, under the constitution, of general laws over local ordinances.

The Georgia statement (Article XII, Paragraph: 1, 2, 3, 4) seems to be the clearest and most direct of such statements.

NOTES

Constitutional supremacy clauses from the constitutions of Arizona, Oklahoma, Michigan, Texas, Montana (proposed), Hawaii, New Mexico (proposed), Alaska, Pennsylvania, Nebraska, Illinois, and National Municipal League Model State Constitution have been omitted.

the resolution of conflicts between county and municipal powers, even if the municipality is governed by a home rule charter. It appears to be an oversight that provisions for what could be potentially conflictive have not been included.

The vast majority of those constitutions which do make provisions for the resolution of conflicts allows the powers of the municipality to prevail. A recent constitution (Florida) has an atypical provision which states that the charter shall provide which shall prevail in the event of conflict between county and municipal ordinances. This provision would allow for disparity in treatment which seems to go counter to the trend of uniformity of treatment.

The Maryland proposal is the most unique with the broadest grant of powers to the county and not to the municipality.

CC/73 Research Staff

Subcommittee on Special Districts; Transportation; Ports; and Harbors of the Committee on Local and Parochial Government

May 25, 1973

Staff Memorandum No. 18

NOTES

Ohio, Florida and Maryland (proposed) provisions regarding conflict resolution between municipality and county government have been omitted.

RE: Article XIV, Section 30; Why Louisiana Law Institute retained this section verbatim in its 1970 Constitutional Revision of Article XIV.

First, it should be noted that LSA-R.S. 34:22 and 34:23 provides for substantially the same thing.

The Law Institute could find no written reason in its files for retaining this section. However, Mr. R. Gordon Kean who was associated with the Institute at the time of the revision offered an explanation.

Mr. Kean stated that it was desirable at that time for the municipalities and the Port of New Orleans to have this authority in order to avoid conflict with Article I, Section 2 of the 1921 Louisiana Constitution--Due process; expropriation of private property for public purposes; just compensation; "...private property shall not be taken or damaged except...after just and adequate compensation is paid."

CC/73 Research Staff

Subcommittee on Special Districts; Transportation; Ports; and Harbors of the Committee on Local and Parochial Government

May 25, 1973

Staff Memorandum No. 19

RE: Sabine River Compact

In 1953, Louisiana and Texas entered into a compact regarding the distribution and use of the waters of the Sabine River watershed.<sup>1</sup>

"Interstate compacts are not only statutes; they are also contracts.... It should be noted that the compact itself has the force of statute and, in case of conflict, its provisions would supersede any general statutes relating to contracts."<sup>2</sup>

"While a dispute over the interpretation of an interstate compact raises a federal question such as may be determined in the federal courts, a compact itself is not federal law even where an act of Congress consenting thereto sets forth the text of the compact being approved."<sup>3</sup>

CC/73 Research Staff

Subcommittee of Committee on Local and Parochial Government Drafting General Provisions on Local Government

June 6, 1973

Staff Memorandum No. 19

<sup>1</sup>La.-Acts 1954, No. 36, L.S.A.--R.S. 38:2329 et seq., Tex.-Acts 1953, ch 63, Vernons Ann. Tex. Civ. St. Art. 74661, U.S. Congress-Act of Aug. 10, 1954, c.668, 68 stat. 690.

<sup>2</sup>Frederick L. Zimmermann and Mitchell Wendell, The Law and Use of Interstate Compacts (Chicago, Ill.), pp.2-3.

<sup>3</sup>Ibid., p. 7.

One of the provisions of the Sabine River Compact "is that nothing in the compact shall be construed as affecting any present or future rights or powers of the United States in, to, and over the waters of the Sabine River Basin. <sup>4</sup>

RE: County-Municipality Conflict Resolution

Most state constitutions do not contain provisions for

"If either state builds reservoir storage on the tributaries of the Sabine located wholly within its boundaries and below the stateline, any reduction in the flow of the Sabine resulting from such storage is deducted from the state's share of the water; conversely, any increase in the Sabine's flow from released water from these reservoirs is added to the state's share. <sup>5</sup>

"It is explicitly provided in the compact that all rights to any of the waters which have been obtained in accordance with the laws of the state are recognized and affirmed. It is further provided, however, that withdrawal of water for the satisfaction of such rights is subject to the availability of supply in accordance with the apportionment of water provided under the compact (Article III). Apparently, then, riparian rights are not to be affected by the compact, except that the taking of water under these rights cannot be so great as to use up more than the share apportioned to the state. It is further provided that withdrawals by the states shall not impair or prejudice the existing rights of users of Sabine River waters."<sup>6</sup>

<sup>4</sup>Mark E. Borton and Harold H. Ellis, Some Legal Aspects of Water Use in Louisiana (Baton Rouge, La.) p.107. (Art. X)

<sup>5</sup>Ibid., p. 109. (Art. V d)

<sup>6</sup>Ibid., p. 111. (Art. V f)

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CC/73 Research Staff  
 Subcommittee of Committee  
 on Local and Parochial  
 Government Drafting General  
 Provisions on Local  
 Government  
 June 6, 1973  
 Staff Memorandum 20

RE: Provisions in Various Constitutions for the Classification of Local Governmental Units--County and municipality.

Most state constitutions classify local governmental units by population. Those constitutions which do not use population as the device of classification do specify, however, that, irrespective of the classification device decided upon, the classification shall treat all similar units in the same manner. In these cases, the constitutions usually restrict the amount (number) of classification categories.

The comment in the Maryland constitutional proposal is pertinent:

"This draft section permits the General Assembly to classify counties into reasonable groups for purposes of legislative public general laws which are applicable to all counties within one or another classification. This recognizes the possible need for the General Assembly to resolve problems which are unique to certain counties with common characteristics such as high population density, heavy air traffic, or intense economic activity. This approach would also permit classification on a regional basis should there be a desire for such classification."

NOTES

Constitutional provisions of Maryland (proposed), South Carolina, South Dakota, Texas, Ohio, Kentucky, Virginia, Wyoming, Missouri and Maryland have been omitted.

CC/73 Research Staff  
 Subcommittee on Special  
 Districts; Transportation,  
 Ports, and Harbors of  
 the Committee on Local  
 and Parochial Government  
 May 31, 1973  
 Staff Memorandum No.21

RE: Recommendations of the Subcommittee on Special Districts; Transportation, Ports, and Harbors.

The Subcommittee on Special Districts; Transportation, Ports, and Harbors has taken the following actions:

Article VI

Sections 16 through 16(b) and 17 - The subcommittee has retained the Port of New Orleans in the constitution. Composition of the Board of Commissioners was changed and language modernized.

Section 24 - Bonds for New Orleans - Chef Monteur and New Orleans - Hammond Highways. The subcommittee recommends it be deleted.

24.1 - Automobile license taxes; authority to fund. The subcommittee recommends that it be deleted.

Section 27 - Lake Pontchartrain; sale of submerged lands. The subcommittee recommends that it be deleted.

Sections 29 - 29.4 - The subcommittee recommends the retention of the Port of Baton Rouge in the constitution. Certain sections were transferred to the statutes and the right of eminent domain, purchase, lease or otherwise of land for industrial plant sites was added.

Section 31 - Greater Ouachita Port Commission. The subcommittee recommends that it be deleted and placed in the statutes.

Section 32 - Caddo - Bossier Parishes Port Commission. The subcommittee recommends that it be deleted and placed in the statutes.

Section 33 - Lake Providence Port Commission. The subcommittee recommends that it be deleted. The port commission is provided for in the statutes.

Section 33.1 - South Louisiana Port Commission. The subcommittee recommends that it be deleted and placed in the statutes.

Section 34 - Concordia Parish Port Commission. The subcommittee recommends that it be deleted. The port commission is provided for in the statutes.

Section 35 - Avoyelles Parish Port Commission. The subcommittee recommends that it be deleted. The port commission is provided for in the statutes.

Section 36.1 - Rapides Parish Port Commission. The subcommittee recommends that it be deleted and placed in the statutes.

Article XIV

Section 6 - Property for navigation canals. The subcommittee recommends that it be deleted.

Section 30 - Improvements by riparian owners; expropriation. The subcommittee recommends that it be in the constitution with minor changes.

Section 30.1 - Port, harbor and terminal districts;

creation. To be retained in the constitution since it was felt to be essential to the Lake Charles Harbor and Terminal District.

Section 30.2 - Lake Charles Harbor and Terminal District. Recommended by the subcommittee to be retained in the constitution.

Section 30.3 - Navigation and river improvement districts; creation. Recommended that it be deleted and placed in the statutes predicated on the adoption of Sec. 18 of the Louisiana Law Institute's revision or a similar provision.

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Section 30.4 - Navigation and river improving districts; effect on levee boards. Subcommittee recommends that it be deleted and placed in the statutes.

Section 30.5 - Red River waterway. Recommended by the subcommittee to be deleted; predicated on the adoption of the Louisiana Law Institute's Sec 18.

Section 31 - Port, harbor and terminal districts; powers and duties; bonds. Subcommittee recommends that it be retained in the constitution since it was believed it was essential for the Lake Charles Harbor and Terminal District.

Section 31.6 - Moisant International Airport Improvements. Subcommittee recommends that it be deleted and placed in the statutes.

Section 45 - Sabine River Authority. The subcommittee recommends that it be deleted. The authority is provided for in the statutes.

Proposals for the Ports of New Orleans, Baton Rouge, and Lake Charles are attached as is the Louisiana Law Institute's Section 18 of its revision of Local and Municipal Affairs.

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CC/73 Research Staff

Subcommittee on Finance of Committee on Local and Parochial Government

June 12, 1973

Staff Memorandum No. 22

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RE: Withdrawal of municipalities by legislative charter from parish taxing authorities.

During the nineteenth century, Louisiana municipalities, incorporated by legislative charter, often exempted themselves from the taxing jurisdictions of the parishes in which they were located. Today, twenty-seven municipalities retain their legislative charters. According to Article XIV, Section 7 of the 1921 Constitution,

Whenever the legislative charter of any city or town, other than the city of Monroe, shall have withdrawn the same, in whole or in part, from the taxing jurisdiction of the parochial authority, no provision of this Constitution shall be construed to affect or repeal such partial or total withdrawal.

From the 1830's until the turn of the century, municipal exemptions from parish taxation were simple and short. Between 1847 and 1855, three legislative charters, those of St. Martinville (1847), Abbeville (1850), and Marksville (1855)

forbade parish authorities from taxing inhabitants or property within corporation limits except to build or repair parish jails and courthouses. The Clinton charter of 1852, however, allowed the parish to levy taxes within the municipality; but it provided that half the funds collected be returned to Clinton "for the purposes of improvements to the same."

In the 1870's the charters or amended charters of Covington (1870), Evergreen (1870), Franklin (1874), and Morgan City (1876) provided simply that municipal inhabitants pay no parish taxes.

By the twentieth century, the charters of Jeanerette (1910) and Thibodaux (1918)--a city now scheduled to operate under a home rule charter--reflected the earlier concern for municipal support of parish benefits and services. Like the legislative charters of the 1840's and 1850's, both charters allowed the police juries to assess municipal residents for the building and repair of jails and courthouses. They also provided for municipal sharing in the costs of "criminal expenses".

More recently, amended legislative charters in several municipalities have extended police jury taxing powers within municipal corporate limits. Most amended charters also provide for municipal support for jails, courthouses, and criminal expenses. For example, a 1923 amendment to the Jeanerette charter allows the Iberia Parish Police Jury to tax municipal citizens for the construction and maintenance of a navigation canal connecting Bayou Teche with Bayou Portage. The New Iberia charter, as amended to 1971, allows the jury to levy a tax within the city for the purposes of the same canal with the limitation that, including taxes for

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jails, courthouses, and criminal expenses, such parish taxes "shall not exceed four mills on the dollar of the assessed valuation, in any one year...."

The Abbeville charter, amended by the town council in 1941, allows parish taxation for the building and maintenance of hard-surfaced roads and a parish library. In 1948, the Franklin Town Council amended the municipality's charter to require citizens within its corporate limits to contribute to the salary of the parish assessor. In return for such payment, the assessor could be asked to prepare the assessment roll for the collection of municipal taxes.

A 1955 amendment to the St. Martinville charter allows the police jury to include the town in a drainage district "in the same manner that territory outside of said town is included within the confines of a drainage district...and full jurisdiction is vested in the Police Jury of the Parish of St. Martin...." Finally, the Plaquemine charter, amended to 1965, requires the town to levy a special tax "equal to the amount of that assessed by the Parish" for the support of parish schools.

In summary, almost half of the twenty-seven municipalities which have retained legislative charters have retained exemptions from parish taxes, although those charters have been often amended by both the legislature and municipal legislative authorities. In general, they allow parish authorities to collect taxes within their corporate limits for the maintenance of jails and courthouses and for the municipalities' share of criminal expenses. Twentieth century amend-

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ments to legislative charters have provided greater municipal contributions to parish public improvements and cultural facilities. But, Article XIV, Section 7 remains useful for municipalities with legislative charters.

The twenty-seven towns which have retained legislative charters are as follows:

*Abbeville	Madisonville
Bastrop	Mandeville
Bogalusa	Mansfield
*Clinton	Many
Coushatta	*Marksville
*Covington	Minden
*Evergreen	*Morgan City
*Franklin	Natchitoches
Franklinton	*New Iberia
Greensburg	Plain Dealing
Homer	*Plaquemine
Jackson	*St. Martinville
*Jeanerette	**Thibodaux
Keachi	

\*Maintains exemptions from parish taxing jurisdiction.

\*\*Maintains exemptions from parish taxing jurisdiction, but will no longer operate under a legislative charter beginning January 1, 1975.

Attached are samples of twentieth century charter amendments discussed hereinabove and filed in charter folders in the office of the secretary of state.

Sources: The list of municipalities operating under legislative charters was compiled from the records contained in the office of the secretary of state and from the Directory of Louisiana Officials, published by the Louisiana Municipal Association, November 1972. The charter information was gathered from data made available by the secretary of state.

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CC/73 Research Staff  
 Committee on Local and Parochial Government  
 June 12, 1973  
 Staff Memorandum No. 23

Re: Survey of local or special laws passed during regular sessions of the Louisiana Legislature during 1970-72 period.

Article IV, Section 4 of the Louisiana Constitution of 1921 proscribes enactment of certain local or special laws (see attachment). The article contains an enumeration of those acts falling within the prohibitive area. Section 6 of the same

article prescribes the procedure requisite to enactment of local or special laws not constitutionally proscribed. It provides thusly:

Art. IV, §6. Local or special laws; notice of intention; publication

Section 6. No local or special law shall be passed on any subject not enumerated in Section 4 of this article, unless notice of the intention to apply therefor shall have been published, without cost to the State, in the locality where the matter or things to be affected may be situated, which notice shall state the substance of the contemplated law, and shall be published at least thirty days prior to the introduction into the Legislature of such bill, and in the same manner provided by law for the advertisement of judicial sales. The evidence of such notice having been published shall be exhibited in the Legislature before such act shall be passed, and every such act shall contain a recital that such notice has been given.

Accordingly, the Louisiana Legislature, during the 1970 regular session, passed seven hundred and thirty-nine (739) bills--fifty (50) of which were listed as "local and special."

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See West's Louisiana Statutes Annotated Tables, Cumulative Supplement, 1972. This legislation constituted six and eight-tenths percent (6.8%) of the total legislation passed.

The regular session of the legislature in 1971 passed one hundred and ninety-three (193) bills; sixteen (16) of which were classified as local and special laws. See West, supra. This legislation constituted eight and three-tenths percent (8.3%) of the total legislation passed during that session. During the last legislative session, 1972, extra session excluded, a total of seven hundred and ninety-seven (797) bills were passed by the legislature, fifty-five (55) of six and eight-tenths percent (6.8%) of which were local and special.

The period of 1962-1972 reflects the following data on the passage of Local and Special Bills:

Year	No. of Bills Enacted (Regular Session)	Local & Special	Percentage
1972	797	55	6.8
1971	193	16	8.3
1970	739	50	8.6
1969	179	14	7.8
1968	708	67	9.5
1967	133	20	15.
1966	576	68	11.8
1965	175	16	9.1
1964	562	73	12.9
1963	141	12	8.5
1962	549	57	10.4

#### NOTES

Louisiana Statutes Annotated Tables, Local and Special Laws, 1969-1972 has been omitted.

CC/73 Research Staff

Subcommittee on Finance of the  
Committee on Local and Parochial  
Government

June 20, 1973

Staff Memorandum No. 24

RE: Authority of political subdivisions to levy special taxes;  
La. Const. Art. X, §10 and §10(A); R.S. 39:801-804.

Article X, Section 10

The authority for political subdivisions to levy special taxes for public works and schools is established in Louisiana Constitution Art. X, §10, a copy of which is attached hereto. The first paragraph of this section provides:

(1) For the purpose of constructing and maintaining public works, a political subdivision may levy taxes, in excess of other constitutional limitations, not to exceed five mills in any year for any one purpose and twenty-five mills in any year for all purposes.

(2) For the purpose of supporting public schools, any parish or city school district may levy taxes, in excess of other constitutional limitations, not to exceed eight mills.

(3) No tax may run for longer than 10 years.

(4) Resident property taxpayers, in number and amount, must by a majority vote approve the tax.

(5) Allows city of New Orleans to levy a special tax, not to exceed one-fifth of one mill for purpose of maintaining zoological gardens in that city, provided it receives voter approval (property taxpayers only).

The provisions of paragraphs two (Sabine Parish), three (Caddo Parish), and four (Jefferson Parish) are obsolete. The tax provisions of paragraph five (Fourth Jefferson Drainage District) are still effective.

R.S. 39:801

Identical provisions to paragraph one of Art. X, Sec. 10 may be found in R.S. 39:801 (copy attached), except the provision on who may vote in an election on the issue of levying the special tax. The statute conforms to the U.S. Supreme Court decision in Cipriano v. City of Houma; all registered voters are permitted to vote, not just property owners. However, it is interesting to note that R.S. 39:804 (copy attached) provides that the act (R.S. 39:801-804) shall be operative only if constitutional or statutory provisions which limit the right to vote at said elections to property owners are repealed or held unconstitutional by the Louisiana or U. S. Supreme Court. This act was passed in 1970; the Supreme Court rendered Cipriano in 1969.

The second paragraph of R.S. 39:801 limits the taxes levied under it and under Art. X, Sec. 10 to the limitations set forth in Art. X, Sec. 10.

Article X, Section 10A

The authority for municipalities to levy special taxes for

municipal services is established in Louisiana Constitution Art. X, §10A (copy attached). This section provides:

(1) For the purpose of providing and maintaining municipal services, a municipality may levy taxes, in excess of

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other constitutional limitations, not to exceed five mills in any one year.

(2) No tax may run longer than 10 years.

(3) Resident property taxpayer voter approval required.

R.S. 39:802

Identical provisions to Art. X, Sec. 10A may be found in R.S. 39:802 (copy attached), except voter provision, see discussion under R.S. 39:801, supra.

The second paragraph contains the same limitation on taxes found in R.S. 39:801, supra.

R.S. 39:803

R.S. 39:803 provides that elections under 801 and 802 shall be conducted in accord with R.S. 39:501-518.

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NOTES

Text of La. Const. (1921) Art. X, Sec. 10 and LA. R.S. 39:801-804 is omitted.

CC/73 Research Staff

Subcommittee on Finance of  
Committee on Local and  
Parochial Government

June 22, 1973

Staff Memorandum No. 25

RE: Municipal and Parochial tax provisions in other state constitutions; authorizations and prohibitions.

Arkansas Const. Art. II, §23

Eminent domain and taxation. The State's ancient right of eminent domain and of taxation is herein fully and expressly, conceded; and the General Assembly may delegate the taxing power with the necessary restriction, to the State's subordinate political and municipal corporations to the extent of providing for their existence, maintenance and well being, but no further.

Arizona Const. Art. IX, §6

Local assessments and taxes. Incorporated cities, towns, and villages may be vested by law with power to make local improvements by special assessments, or by special taxation of property benefited. For all corporate purposes, all municipal corporations may be vested with authority to assess and collect taxes.

Colorado Const. Art. X §7

Municipal taxation by general assembly prohibited. The general assembly shall not impose taxes for the purposes of any county, city, town or other municipal corporation, but may by law, vest in the corporate authorities thereof respectively, the power to assess and collect taxes for all purposes of such corporation.

Kentucky Const. §181

General Assembly may not levy tax for political subdivision, but may confer power; license and excise taxes; city taxes in lieu of ad valorem taxes.

The General Assembly shall not impose taxes for the purposes of any county, city, town or other municipal corporation, but may, by general laws, confer on the proper authorities thereof, respectively, the power to assess and collect such taxes. The General Assembly may, by general laws only, provide for the payment of license fees on franchises, stock used for breeding purposes, the various trades, occupations and professions, or a special or excise tax: and may, by general laws, delegate the power to counties, towns, cities and other municipal corporations, to impose and collect license fees on stock used for breeding purposes, on franchises, trades, occupations and professions. And the General Assembly may, by general laws only, authorize cities or towns of any class to provide for taxation for municipal purposes on personal property, tangible and intangible, based on income, licenses or franchises, in lieu of an ad valorem tax thereon: provided, cities of the first class shall not be authorized to omit the imposition of an ad valorem tax on such property of any steam railroad, street railway, ferry, bridge, gas, water, heating, telephone, telegraph, electric light or electric power company. (1902 c.50, adopted November 1903)

Maryland Const. Art. XI-E, §5

Taxation; debt limitations. Notwithstanding any other provision in this Article, the General Assembly may enact, amend, or repeal local laws placing a maximum limit on the rate of which property taxes may be imposed by any such municipal corporation and regulating the maximum amount of debt which may be incurred by any municipal corporation. However, no such local law shall become effective in regard to a municipal corporation until and unless it shall have been approved at a regular or special municipal election by a majority of the voters of that municipal corporation voting on the question. No such municipal corporation shall levy any type of tax, license fee, franchise tax or fee which was not in effect in such municipal corporation on January 1, 1954, unless it shall receive the express authorization of the General Assembly for such purpose, by a general law which in its terms and its effect applies alike to all municipal corporations in one or more of the classes provided for in Section 2 of this Article. All charter provisions enacted under the authority of Section 3 of this Article shall be subject to any local laws enacted by the General Assembly and approved by the municipal voters under the provisions of this section. (1954, ch. 53, Ratified November 2, 1954.)

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Missouri Const. Art. X, §10(b)

Taxing jurisdiction of local governments--limitation on assessed valuation. Taxes may be levied by counties and other political subdivisions on all property subject to their taxing power, but the assessed valuation therefor in such other political subdivisions shall not exceed the assessed valuation of the same property for state and county purposes.

Minnesota Const. Art. XI, §5

Local taxation may be authorized Any county and township organization shall have such powers of local taxation as may be prescribed by law.

Washington Const. Art. VII, §9

Special Assessments or Taxation for Local Improvements. The legislature may vest the corporate authorities of cities, towns, and villages with power to make local improvements by special assessment, or by special taxation of property benefited. For all corporate purposes, all municipal corporations may be vested with authority to assess and collect taxes and such taxes shall be uniform in respect to persons and property within the jurisdiction of the body levying the same.

Wisconsin Const. Art. VIII, §1

Taxation; uniformity; optional methods as to collection and return; income, privilege and occupational taxes. The rule of taxation shall be uniform but the legislature may empower cities, villages or towns to collect and return taxes on real estate located therein by optional methods. Taxes shall be levied upon such property with such classifications as to forests and minerals including or separate or severed from the land, as the legislature shall prescribe. Taxation of merchants' stock-in-trade, manufacturers' materials and finished products, and livestock need not be uniform with the taxation of real property and

other personal property, but the taxation of all such merchants' stock-in-trade, manufacturers' materials and finished products and livestock shall be uniform, except that the legislature may provide that the value thereof shall be determined on an average basis. Taxes may also be imposed on incomes, privileges and occupations, which taxes may be graduated and progressive, and reasonable exemptions may be provided. (Amended April 1961)

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CC/73 Research Staff

Subcommittee on Finance  
of Committee on Local and  
Parochial Government

June 28, 1973

Staff Memorandum No. 26

RE: The exception of the city of Monroe in Article XIV, Section 7, of the Constitution of 1921.

Although the city of Monroe adopted a commission form of government in 1918, it continues to operate under a legislative charter (Act 47 of 1900, as amended). Section 36 of the city charter exempts Monroe from Ouachita Parish taxes, but it pledges the city to provide the parish with one-half the cost of certain enumerated parish expenses. Legislative acts of 1910, 1912, and 1934 provide the means of adopting a commission form of government as well as certain powers and duties of a municipality which adopts the plan. All three acts specifically provide that a municipality exempted by its charter from parish taxes shall retain its exemption. (Acts 1934, Third Ex. Sess., No. 13, §19; R.S. 33:506).

The reasons for the insertion of the words "other than the city of Monroe" in Art. XIV, §7, remain unclear. The proceedings of the Constitutional Convention of 1921 show that the provision was introduced without mention of Monroe. When reintroduced before the convention with reference to Monroe added, the section caused apparent disagreement over the insertion of the words "other than the city of Monroe" between the delegates from

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Ouachita Parish. There is, however, no explanation from the records of the 1921 convention or from current officials in the city of Monroe of why the city was excepted in the constitutional provision as adopted.

Both the Projet and the 1970 Law Institute report on constitutional revision recommended a change in Art. XIV, §7. The Projet considered it "legislative material" and suggested its deletion from the constitution (Vol. III, p. 349). The Louisiana Law Institute recommended a section on parochial taxation with a provision similar to Art. XIV, §7, except that it omits reference to the city of Monroe (pp. 36-38).

Attachment I is a copy of the relevant section of the charter of the city of Monroe.

Attachment II is from the 1934 legislation setting forth the commission plan of government.

Attachment III is the Projet treatment of Art. XIV, §§ 7, 8.

NOTES

Attachments cited in the Memo have been omitted. They may be found in the sources cited.

CC/73 Research Staff  
Delegate Request  
(Terry Reeves)  
June 28, 1973  
Staff Memorandum No. 27

RE: Extraterritorial Powers of Local Governments.

One constitutional provision giving a municipality extra-territorial powers is Article XVIII, §4 of the Ohio Constitution. This provision gives municipalities the right to "acquire, construct, own, lease and operate within or without its corporate limits, any public utility...."

In the absence of specific constitutional inclusion of such powers, there is ample evidence that legislatures may provide for such powers.

Corpus Juris Secundum (Vol. LXII on Municipal Corporations) has the following to say on this subject:

"As a general rule the powers of a municipal corporation cease at municipal boundaries and cannot, without plain manifestation of legislative intention, be exercised beyond its limits,<sup>1</sup> at least as far as governmental functions are concerned,<sup>2</sup> even though it may have acquired property outside of its geographical limits.<sup>3</sup> Within and subject to its constitutional limitations,<sup>4</sup> the legislature, however, may, and often does, authorize the exercise of powers beyond municipal limits,<sup>5</sup> and in accordance with the terms of the authorization, a municipal corporation may operate beyond its boundaries.<sup>6</sup>

The rule that municipal corporations have no extra-territorial powers has been held to apply to proprietary functions,<sup>7</sup> but, under the theory that a corporation in its proprietary capacity is bound by the same rules that govern private individuals or corporations, a municipality may in its proprietary capacity exercise extraterritorial powers,<sup>8</sup> as for instance, its power to contract.<sup>9</sup>

Statutes authorizing the exercise of municipal power beyond the municipal boundaries are strictly construed.<sup>10</sup>

Police Powers. Generally, the police power of a municipal corporation is coextensive with the corporation boundaries,<sup>11</sup> and the boundaries mark the limit for the exercise of the police power by the corporation.<sup>12</sup> The legislature may, and often does, expressly or by implication, grant to municipal corporations the right to exercise police power beyond and within a prescribed distance of the municipal limits,<sup>13</sup> especially for the preservation of the public health,<sup>14</sup> and accordingly municipal corporations may have the implied right to exercise certain extraterritorial police powers when the possession and exercise of such powers are essential to the proper conduct of the affairs of the corporation.<sup>15</sup>

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References

- <sup>1</sup> U.S.--City of Sedalia ex rel. and to Use of Ferguson v. Shell Petroleum Corporation, C.C.A.No., 81 F. 2d 193, 106 A.L.R. 1327.
- <sup>2</sup> U.S.--City of Sedalia ex rel. and to Use of Ferguson v. Shell Petroleum Corporation, C.C.A.No., 81 F. 2d 193, 106 A.L.R. 1327.
- <sup>3</sup> Ga.--Newton v. City of Moultrie, 148 S.E. 299, 39 Ga.App. 702.

- <sup>4</sup> Tenn.--Malone v. Williams, 103 S.W. 798, 118 Tenn. 390, 121 Am.S. R. 1002.
- <sup>5</sup> U.S.--Corpus Juris cited in U.S. v. 1,010.8 Acres, More or Less, Situate in Sussex County, D.C.Del., 56 F.Supp. 120, 142.
- <sup>6</sup> Or.--Central Lincoln Peoples' Utility Dist. v. Smith, 133 P.2d 702, 170 Or. 356.
- <sup>7</sup> N.Y.--Western New York Water Co. v. Buffalo, 210 N.Y.S. 611, 213 App.Div. 458, reversed on other grounds 151 N.E. 207, 242 N.Y. 202.
- <sup>8</sup> Iowa--Sibley v. Ochevedan Electric Co., 187 N.W. 560, 194 Iowa 950.
- <sup>9</sup> Iowa--Sibley v. Ochevedan Electric Co., *supra*.
- <sup>10</sup> La.--Corpus Juris cited in City of Shreveport v. Case, 4 So. 2d 801, 803, 198 La. 702.
- <sup>11</sup> Mo.--Lux v. Milwaukee Mechanics' Ins. Co., 295 S.W. 847, 221 Mo. App. 999.
- <sup>12</sup> Tex.--Ex Parte Ernest, 136 S.W. 2d 595, 138 Tex.Cr. 441.
- <sup>13</sup> Ala.--White v. City of Decatur, 144 So. 873, 225 Ala. 646, 86 A.L.R. 914.
- <sup>14</sup> N.C.--State v. Rice, 74 S.E. 582, 158 N.C. 635, 39 L.R.A., N.S., 266.
- <sup>15</sup> Cal.--In re Blois, 176 P. 449, 179 Cal. 291.

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CC/73 Research Staff  
Committee on Local  
and Parochial Government  
July 17, 1973  
Staff Memorandum No. 28

- RE: I The necessity of retaining the clause "except wherein otherwise provided by this constitution" in a provision for recall of public officials.
- II The necessity of retaining the exception of judges of courts of record.

I

The General Provision proposal of the committee contains a section on "Recall" which provides:

"Section 25. Recall

Section 25. The legislature shall by general law provide for the recall of state, district, parish, municipal, or ward officers, except judges of the courts of record, and except wherein otherwise provided by this constitution. The sole issue to be voted on at any recall election shall be whether such officers shall be recalled."

The source provision is Article IX, Section 9 of the 1921 Constitution which provides:

"Section 9. Recall

Section 9. The Legislature may pass laws for the recall of any State, district, parish, municipal or ward officer, except judges of the courts of record, and except wherein otherwise provided by this Constitution; provided, the sole issue tendered at any recall election shall be whether such official shall be recalled."

We have found no other constitutional provision which excepts any other public official from recall.

The Act, (Act 121 of the 1921 Ex. Sess.) providing for recall, adopted by the legislature five months after the approval

of the 1921 Constitution, omits the "exception clause" in Article IX, Section 9. This Act was placed into the Revised Statutes as R.S. 42:341-357.

R.S. 42:341 provides:

"§341. Recall authorized

Any public officer, excepting judges of the courts of record, may be recalled in accordance with provisions of this Chapter."

The 1954 Projet recommends omitting the "exception clause"

and excepting the governor as well as judges:

"The legislature may pass laws for the recall of any officer except the governor and judges of the courts of record, provided the sole issue tendered at any recall election shall be whether such officer shall be recalled." (Projet, Vol. III, pp. 119, 124.)

The proposal of the Legislative Powers and Functions Committee has a section on recall which omits the "exception clause". It provides:

"Section 26. Recall

Section 26. The legislature shall provide for the recall by election of any state, district, parochial, ward, or municipal officer except judges of the courts of record. The sole issue at any recall election shall be whether such officer shall be recalled."

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II

The 1954 Projet recommends retaining the exception for judges and also excepting the governor. The reason for the recommendation is in the Comment to the proposed section in the Projet, a copy of which is attached hereto.

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NOTES

Projet material omitted may be found at pages 123-124 of the Projet.

Even though these cases draw a distinction between local and special legislation, Huntington Odom, at 16 La. L.R. 770-771, points out that the Louisiana jurisprudence does not sufficiently distinguish between special and local legislation. He notes that courts often merely determine whether legislation is general or special and give little or no emphasis to whether it is local.

CC/73 Research Staff

Subcommittee on Transitional Measures of the Committee on Local and Parochial Government

October 26, 1973

Staff Memorandum No. 30

RE: Appointment of members and filling of vacancies in the membership of the board of commissioners of levee districts

The present constitutional provision, Article XVI, Section 1 provides a detailed procedure for appointing members and filling vacancies on boards of commissioners of levee districts. It provides:

§ 1. Levee system, maintenance; board membership; fiscal affairs

Section 1. A levee system, as now organized or as hereafter created, shall be maintained.

It. Notwithstanding any other provision in this Constitution or of any law to the contrary, every vacancy, whether for death, resignation, expiration of term or for any other cause occurring on any present or future board of commissioners of any levee district now or hereafter created in this state shall be filled in the manner hereinafter provided.

Vacancies occurring for any cause, including the expiration of the term, shall be filled by appointment by the Governor from panels submitted as follows: each member of the House of Representatives representing a parish or part of parish lying within a levee district shall submit one name for each vacancy to be filled from the parish which he represents in the Legislature; each member of the Senate shall submit one name for each vacancy to be filled from the parish or parishes within the district which he represents in the Legislature. In making appointments, the Governor shall not appoint any individual to a seat on the board of commissioners to represent a specific parish who was not recommended by one or more of the legislators who represent that specific parish in the Legislature.

The terms of any and all members, now serving on levee boards shall expire on January 1, 1967, and new commissioners shall be appointed to fill any and all vacancies created by the expiration of their terms in the manner hereinafter provided. All members of the boards of commissioners of levee districts shall have terms concurrent with that of the Governor appointing them.

C. The provisions of this Section apply to all boards of commissioners of all levee boards whether created or provided for by this Constitution or by the Legislature.

D. The provisions of this section shall be self-operative and shall require no further or other legislation. (As amended Act 1960, No. 547, adopted Nov. 8, 1960.)

Section 44 of Committee Proposal No. 17, as adopted by the convention, was drafted to replace Article XVI, Section 1. However, it does not provide a detailed procedure for appointing members and filling vacancies. It provides:

"Section 44. Levee Districts

Section 44. (A) Levee districts as now organized and constituted shall continue to exist, except that:

(1) The legislature may provide for the consolidation, division, or reorganization of existing levee districts or create new levee districts. However, the members of the boards of commissioners of districts heretofore or hereafter created shall be appointed or elected from residents of such district, as provided by law;

(2) Any levee district whose flood control responsibilities are limited to and which is situated entirely within the boundaries of one parish may be merged and consolidated into such parish under the terms and conditions and in the manner provided in Section 18 of this Article. This provision shall be self-operative.

(B) No action taken hereunder shall impair the obligation of any outstanding bonded indebtedness of any other contract of such levee district." (Emphasis Added)

The only reference to members of boards of commissioners provides that said members shall be elected or appointed from residents of such districts as provided by law.

There is no general statutory provision similar to Article XVI, Section 1. Instead, under the statutory authority for

CC/73 Research Staff  
Committee on Local and Parochial Government  
July 17, 1973  
Staff Memorandum No. 29

RE: Special or Local Laws

"A statute is special if it operates upon and affects only a fraction of the persons or a portion of the property encompassed by such a classification. Such a statute grants privileges to some and denies them to others, though there is no natural distinction between the two groups. A statute is local if it operates only in a particular locality without the possibility of extending its coverage to other areas should the requisite criteria exist there." (16 La. L.R. 768 at 770.)

The word local is not synonymous with special. The word local is used to describe a statute referring to place only and has nothing to do with persons. (State ex rel. Jury Commissioners v. City of New Orleans, 1884, 2 McGlouin 46.) A similar distinction was made in Charbonnet v. Forschler, 138 La. 279, 70 So.224. (1915)

most levee districts there is a section providing for appointment and term of commissioners (See Appendix I). Generally, these sections provide that the board of commissioners shall be composed of \_\_\_ competent persons appointed by the governor. In multi-parish districts there is usually the requirement that one member be from each parish. None of the sections spell out the method of appointment or selection as detailed in Article XVI, Section 1.

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Several levee districts have no statutory authority for appointment of commissioners. They are the Buras Levee District, Buras Back Levee District, and Grand Prairie Levee District. All three districts had statutory authority providing for appointment of members until repealed by Act. No. 125 of 1962. In the "History and Source of Law" note below each section there is the following statement, "See now, L.S.A. Const. Art. XIV, §3(d)" (See Appendix II). The cited constitutional article is the source of authority for the home rule charter of Plaquemines Parish, the parish in which all three levee districts are located.

The only other levee district for which there is no section on appointment of commissioners is the Atchafalays and Bayou De Glaise Special Levee District which has statutory authority for election of commissioners by the landowners of the district. (See Appendix III)

A general provision on filling of vacancies has been adopted by the convention in two articles. Article IV on the Executive Branch contains the following section on "Other Vacancies":

"Section 17. Other Vacancies

Section 17. (A) Should no other provision therefor be made by this constitution, by statute, by local government charter, by home rule charter or plan of government, or by ordinance, the governor shall have the power to fill any vacancy occurring in any elective office. If, at the time a vacancy occurs in such office, the unexpired portion of the term of office is more than one year, the vacancy shall be filled at an election, as may be provided by statute. The appointment provided for herein shall be effective only until a successor is duly elected and qualified.

(B) Nothing in this Section shall be construed as changing the qualifications for the various offices involved, and all appointments must be of persons who otherwise would be eligible to hold offices to which appointed." (Emphasis Added)

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Article VI on Local Government, as adopted through Friday, October 5, 1973, contains the following section on "Filling of Vacancies":

"Section 15. Filling of Vacancies; Appointment

Section 15. (A) Except as otherwise provided in this constitution, and except for the office of assessor, a vacancy in any local office filled by election wholly within the boundaries of a local governmental subdivision or a parish or city school district, shall be filled by appointment by the governing authority of such local governmental subdivision or school district in which the vacancy occurs, until it is filled by election as provided by law.

(B) The provisions of this Section shall apply to all local governmental subdivisions unless otherwise provided by the home rule charter or the home rule plan of government of the affected local governmental subdivisions." (Emphasis Added)

Both Sections only apply to vacancies in elective offices. With the exception of the Atchafalaya and Bayou De Glaise Special Levee District, which has elected members, the statutes provide for appointment of levee board members for all other levee districts. Thus, there is a question of whether either section would apply to filling of vacancies in boards of commissioners of levee districts.

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NOTES  
Text of La. R.S. 38:642,693,733,734,783 comprising Appendices I-III is omitted.

CC/73 Research Staff  
Committee on Local and Parochial  
Government  
December 12, 1973  
Staff Memorandum No.31

RE: Invalidation of Constitutional and Statutory Law Resulting From Adoption of a New Constitution Although Said Law is Not in Conflict with New Constitution

The following statements on this subject are found in Corpus Juris Secundum:

"The adoption of a new constitution repeals and supersedes all the provisions of the older constitution not continued in force by the new instrument."  
16 C.J.S., verbo Constitutional Law, §42, p. 131

"While a new constitution is, by its very nature, intended to supersede a prior constitution, as discussed supra §42, it is not intended to supersede the entire body of statutory law. To the extent that existing statutes are not expressly or impliedly repealed by the constitution, or by constitutional amendments, they remain in full force and effect. A constitutional provision as well as a statute may, however, nullify or amend a statute insofar as future operation is concerned, and the constitution as the highest and most recent expression of the law-making power, operates to repeal or supersede not only all statutes that are expressly enumerated as repealed, but also all that are inconsistent with the full operation of its provisions. A statute opposed to the plain terms of a subsequently adopted constitutional provision must be regarded as repealed by implication. A constitutional provision which is a revision of the entire subject matter of, and constitutes a substitute for, a statute will supersede such statute.

It is a generally accepted rule, however, that repeals by implication are not favored; in fact there is a presumption against such a repeal. A constitutional provision does not repeal a statute on the ground of repugnance or inconsistency unless they are

clearly repugnant and so inconsistent that they cannot have concurrent operation, and, in order to effect a repeal by revision, a constitutional provision must be a revision of the entire subject matter so that the intention that the provision will be a substitute for the prior statute is apparent. The foregoing rules are subject to certain qualifications and limitations dependent on whether or not the constitutional provision is self-executing, as shown below in §60, and, according to some cases, a self-executing, prohibitory, and restrictive provision renders null and void existing statutes inconsistent with the constitutional provision in the absence of an effective saving clause, . . .

\* \* \*

-2-

Charters of municipal corporations. A constitution or amendments thereto may effect the repeal of provisions of municipal charters which are inconsistent with the constitutional provisions, but do not necessarily render inoperative charter provisions which are not inconsistent with the constitution. A constitutional prohibition against the granting or adopting of special municipal charters does not necessarily repeal existing charters, nor does a constitutional amendment prohibiting the legislature from enacting, amending, or repealing any municipal charter repeal a municipal charter previously granted.

\* \* \*

A constitutional provision to the effect that all existing laws not repugnant to the constitution are continued in force until they expire by their own limitations, or are altered, or repealed by the legislature has the effect of continuing in force statutes not in conflict with the constitution. Some constitutional provisions continue in force statutory provisions which are in conflict with constitutional provisions which require legislation to enforce them for, and only for, a specified period after the adoption of the constitution, in the absence of amendment or repeal of the statute or any legislation to enforce the conflicting constitutional provision. A provision that all

-3-

laws shall continue in force until altered or repealed recognizes that such laws may be altered or repealed by legislative act. Constitutional provisions as to particular subjects may continue certain statutes in force. Laws continued in force by a provision of the constitution are as valid as though reenacted by the legislature.

A statute must, of course, come within the terms of a saving clause of a constitution in order that it may continue in force pursuant to such clause after the constitution becomes operative, and saving clauses do not usually continue in force statutes which are repugnant to the constitution. A constitutional provision continuing in force laws in force on a certain date, which are not inconsistent with the constitution, repeals a statute enacted intermediate such date and the subsequent adoption of the constitution, and also a statute which was enacted before, but is to go into effect after, the date specified." 16 C.J.S., verbo Constitutional Law, §43, p. 134

"Before an enactment of the legislature putting it into effect, a constitutional provision which is not self-executing does not usually repeal or otherwise affect existing constitutional provisions,

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statutes, or ordinances; and as a general rule, such constitutional provisions, statutes, or ordinances, remain in force until the necessary legislation is enacted, even though they are consistent with the subsequent constitutional provision. A provision may be so framed, however, that, while legislation is necessary to put into effect its affirmative principles, it repeals existing statutes inconsistent with it, and a provision which is self-executing in part may affect or change a prior statute to the extent that such provision is self-executing." 16 C.J.S., verbo Constitutional Law, §60, p. 173

In addition the following is found in American Jurisprudence,

"When a new constitution is established, it is customary to insert a provision that all statutes in force and not inconsistent with the new constitution shall continue until amended or repealed by the legislature, although it is generally recognized that such laws remain in force without an express provision to that effect. \* \* \*

It is also the general rule that a statute existing at the adoption of a constitution cannot be upheld if it is opposed to the plain terms of the constitution. If there is a conflict between a statute and such a constitutional provision, the former must give way, since all statutes which are actually inconsistent with a new constitution are repealed by implication, unless

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they constitute contracts within the meaning of the federal provision prohibiting an impairment of the obligation of contracts. \* \* \* The exception must be noted, however, that, where the constitutional provision is not self-executing, in some instances an inconsistent state statute is not thereby superseded. If it is self-executing, it necessarily annuls all inconsistent acts of the legislature passed prior to its adoption." 16 Am.Jur.2d, verbo Constitutional Law, §49, p. 219

"A new constitutional provision adopted by a people already having well-defined institutions and systems of law should not be construed as intended to abolish the former system, except insofar as the old order is in manifest repugnance to the new constitution, but such a provision should be read in the light of the former law and existing system." 16 Am. Jur.2d, verbo Constitutional Law, §68, p. 246

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CC/73 Research Staff  
Committee on Local and  
Parochial Government  
June 11, 1973  
Staff Memorandum No. 32

RE: Port, Harbor and Terminal Districts; Location, Constitutional and Statutory Provisions and Bonding Authority

The port, harbor, and terminal districts of Louisiana are cartographically presented to assist the Committee on Local and Parochial Government in making any decision regarding these districts. (Attachment #1)

In addition, the constitutional and statutory provisions concerning the jurisdiction, boards of commission, and boards of each district are listed for ready reference. (Attachment #2)

The staff is preparing for the Subcommittee on Special Districts; Transportation, Ports, and Harbors a proposal relative to the Board of Commissioners of the Port of New Orleans and a general constitutional provision providing for creation, authority, and bonding authority of ports, harbors, and terminal districts.

#### NOTES

State map outlining port, harbor and terminal districts and statutory citations are reproduced above in addenda to Subcommittee Minutes, June 15, 1973.

CC/73 Staff Report  
Requested by Delegate  
Joseph Giarrusso, Sr.  
May 14, 1973

RE: Ten largest ports in the U.S.--creation; boards of commissioners

Of the ten largest ports in the United States (based on 1970 tonnage), only two, New Orleans and Baton Rouge are created by constitutional provision. The others are created by statute law, general law, or city charter.

Membership on the commissions which govern these ports is generally appointive (either by the governor of the state in which the port is located or the city council and mayor); and the average number of commissioners on each board is six.

The following report discusses the ports in order of their 1970 ranking.

1) Port of New York Authority: Tonnage (1970) 174,008,108.

Created by the Statutes of the States of New York and New Jersey. New York Title 17, Section 6403 et seq. New Jersey Title 32:1-3 et seq.

The port authority has twelve commissioners, six are resident voters of New York, at least four of whom are resident voters of the city of New York.

Six are resident voters from New Jersey, four of whom are resident voters of the New Jersey portion of the district.

The Six New York commissioners are appointed by the governor, by and with the consent of the senate for staggered five year terms. (Laws of New York, 1921 chapter 203, as amended).

The New Jersey commissioners are appointed by the governor, by and with the advice and consent of the Senate for six year terms (Title 32:2-2 and 32:2-3).

2) Port of New Orleans: Tonnage (1970) 123,674,208.

Created by provision in the La. Constitution of 1921. Article VI, Section 16 et seq. AND Section 17.

The Board of Commissioners of the Port of New Orleans has five members; one of whom must be a resident of and have "his principal place of business on the West Side of the Mississippi River." They serve for a five-year term and are appointed by the governor of the state upon the nomination by seven organizations which serve the port area.

3) Port of Houston: Tonnage (1970) 64,674,263.

2

Created by the General and Special Laws of Texas as amended. Created by the 40th Legislature, Acts 1927, 1st C.S., chap. 97.

Title 128, Article 8235 provides for a five commissioner board. Two commissioners are selected for a term of one and two years respectively by a majority of the city council of the city of Houston. The other three commissioners are selected for two years. Two of the latter commissioners are selected by the commissioners

court and the other, to be chairman, is selected by a majority vote of the city council of the city of Houston and the commissioners court in joint session.

4) Philadelphia: Tonnage (1970) 52,224,396.

A departmental administrative Commission was created by statute (Title 55:1) in the Department of Forests and Waters known as the Navigation Commission for the Delaware River and its navigable tributaries. The Commission consists of seven members, three appointed by the governor; two appointed from among the residents of Delaware County, and one appointed from among residents of Bucks County. Two to be appointed by the mayor of the City of Philadelphia; one to be the secretary of Forests and Waters, who shall serve ex officio; and one shall be the director of Wharves, Docks, and Ferries of the city of Philadelphia, who shall serve ex officio. The governor designates one of the commissioners to be the president of the commission.

The members of the Commission hold office for a four year term.

5) Norfolk Harbor, Va.: Tonnage (1970) 52,544,337.

J

The State of Virginia has a state-wide port authority created by statute (Title 62.1-128). The authority is governed by a Board of Commissioners. It consists of eleven members appointed by the governor, subject to confirmation by the General Assembly.

The terms of the commissioners are staggered, varying from two years to six years.

Title 62.1-132 specifies that any municipal port commission is subordinated to the Board of Commissioners of the Virginia Port Authority.

6) Baltimore Harbor: Tonnage (1970) 51,084,394.

Article 41, Section 207 c of the Maryland Statutes created the Maryland Port Administration as part of the Department of Transportation. The head of the Maryland Port Administration is the Maryland port administrator. The secretary of transportation appoints the Maryland port administrator with the approval of the governor.

All rights, powers, duties, obligations, and functions subject to the authority of the secretary of transportation are exercised by the Maryland port administration.

7) Port of Baton Rouge: Tonnage (1970) 45,535,281.

The Greater Baton Rouge Port Commission was created by constitutional provision. (Article VI, Sections 29-29.4).

The number of commissioners is ten; all are appointed by the governor. Two names are submitted by the police jury of West Baton Rouge Parish, one by the mayor and aldermen of the town of Port Allen, two by the city council of the city of Baton Rouge, two by the parish council of the parish of East Baton Rouge, one by the police jury of Iberville Parish, one by the police jury of Ascension

4

Parish, and one appointed directly by the governor of the State of La.

8) Beaumont, Texas: Tonnage (1970) 30,480,706.

Port of Beaumont Navigation District of Jefferson County was created by the 51st Texas Legislature. Acts 1949, ch. 147, General and Special Laws of Texas, as amended acts 1961, 57 Legislature, chap. 5.

The Board of Port Commissioners is made up of six commissioners who serve for six-year staggered terms. The commissioners should reside in the district and be property owners. The districts shall be divided into four wards and each ward shall be entitled to representation on said commission.

The commissioners are elected by the qualified voters of the district.

9) Tampa Harbor, Florida: Tonnage (1970) 31,356,522.

Florida by statute (Title 21, Section 310.01), created a board of pilot commissioners for each county in the state in which a port is located.

It consists of five members holding office for four years. The governor appoints the commissioners with the advice and consent of the Senate. The board consists of citizens of said county, and the said commissioners are empowered to act as port wardens, and perform the duties of the same.

10) Los Angeles Harbor: Tonnage (1970) 23,075,160.

Senate Concurrent Resolution Number 2 approving the charter of

5

the city of Los Angeles. The Harbor of Los Angeles is created as a part of the Los Angeles city charter. Article VI of the charter (Acts 1925) created a Department of Harbors. This department is under the control and management of a board of five commissioners called the Board of Harbor Commissioners. The commissioners serve for a term of five years. Appointment and removal is by the mayor, subject in both to approval by the council by a majority vote.

Article XI of the city charter provides for the Harbor Department, and the entire waterfront of the city of Los Angeles is under its control.

6



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 17740 A. BATON ROUGE LOUISIANA 70803  
TELEPHONE 389 5034

E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

July 20, 1973

TO: Honorable Frank Ullo  
Delegate CC/73

FROM: Research Staff

RE: Tariff Rates - Port of New Orleans

Capt. Joffree, Associated Director of the Board of Commissioners of the Port of New Orleans, has supplied us with the following information:

All tariff rates in the Port of New Orleans, regardless to the location (East or West Bank) are the same. The only difference experienced would be charges incurred as the result of ship repairs.

Mr. Louis Schwartz, of the New Orleans Traffic and Transportation Bureau, has informed us that the Bureau's jurisdiction consists only of Orleans, Jefferson and St. Bernard parishes (to a lesser degree Plaquemines Parish as well).

July 23, 1973

MEMORANDUM

TO: Dr. Frank Ullo  
FROM: Research Staff  
RE: BONDED INDEBTEDNESS OF STATE AGENCIES AND FULL FAITH AND CREDIT

From the exercise of governmental functions, particularly as they relate to port commissions, several advantages may be derived by the agency and the state.

Primarily, the agency is vested with, and its activities are influenced by, the public's interest, i.e., all programs and accomplishments of the agency are presumably directed toward the promotion and betterment of the general population. Under this framework, the people, directly or through their elected officials, may communicate their respective demands and criticisms of the agency's operations. This could not be so readily attained were the port commission under private ownership, as theoretically, some regulatory agency would be vested with that power and responsibility.

The second most significant advantage derived from public ownership is revenue income. A properly administered and effectively utilized port facility has tremendous potential for generating revenue.

Lastly, the construction, maintenance, and operation of a viable port facility is largely dependent upon the right of the port authority to incur bonded indebtedness supported by the full faith and credit of the state and the ability to obtain the lowest possible interest rates on the market. In this regard, and as the bonding attorneys and other authorities have testified, the backing of any bonded indebtedness by the full faith and credit of the state has a direct effect on the credit rating and marketability of bonds by the respective political subdivisions. (See attached copies of minutes of Committee on Local and Parochial Government and particularly the statement by Mr. Jackson Phillips of Moody Investor's Service, Inc.)

NOTES

Statement of Mr. Jackson Phillips of Moody's Investment Service is reproduced as an addendum to Minutes, April 10, 1973.

July 24, 1973

MEMORANDUM

TO: Honorable Frank Ullo  
Delegat CC/73  
FROM: Research Staff  
RE: ADMINISTRATIVE COSTS FOR THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS FOR THE YEARS 1962, 1967, and 1971-72

Attached you will find the administrative costs you requested for the Port of New Orleans.

NOTES

Attachment cited in Memo is not found in the files of the Committee.

July 24, 1973

E L HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

MEMORANDUM

TO: Dr. Frank Ullo  
FROM: Research Staff  
RE: Appointment of New Orleans Dock Board

The original provisions of the Louisiana Constitution of 1921 vested full appointment power in the office of the governor. These provisions were severely changed by amendment in 1940. Thereafter, the power of appointment was vested in the governor, but only after timely nominations submitted by five organizations in the New Orleans area, i.e., (1) New Orleans Association of Commerce, (2) New Orleans Board of Trade, (3) New Orleans Clearing House Association, (4) New Orleans Cotton Exchange, and (5) New Orleans Steamship Association.

In 1954, these provisions were further amended to substitute for and expand the nominating organizations to seven with the addition of the (6) West Bank Council of the Chamber of Commerce of the New Orleans Area and (7) International House and the substitution of Chamber of Commerce of the New Orleans Area for the New Orleans Association of Commerce.

July 24, 1973

MEMORANDUM

TO: Honorable Frank Ullo  
Delegat CC/73  
FROM: Research Staff  
RE: SUPERPORTS OF THE WORLD

A definitive number and the location of the superports of the world cannot be given. However, there are approximately fifty-three superports in existence or under construction in the world. At present there are no such ports in the United States, while there are five such ports in existence or under development in Canada which can handle ships larger than 200,000 dwt.

In addition, to superports per se, there is another type installation known as SPM (single point mooring) installations.

Attached you will find a list of selected deep-water ports in Europe. Also, the staff is enclosing information concerning single-point mooring installations.

## NOTES

List of single-point mooring super ports is not found in the files of the committee.



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973, P. O. BOX 17740 A BATON ROUGE, LOUISIANA 70803  
TELEPHONE 389 5034

E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

July 24, 1973

### MEMORANDUM

TO: Honorable Frank Ullo  
Delegate CC/73

FROM: Research Staff

RE: HAZARDS OF SUPER PORTS

The following is some of the problems that must be considered in any site selection of a super port:

Natural stresses associated with the offshore structure include: (1) dredging and other site preparation and construction activities, (2) maintenance dredging after the facility is in operation, (3) possible massive spills, and (4) possible operational leakages. Land links involving pipelines, utilities, and possible over-water highways introduce additional environmental problems. Social and cultural stresses associated with the offshore structure itself are probably limited to disruption of fishing activities. Primary constraints which enter into selection of the site are the (1) distance offshore to water depths of 100 feet, (2) sea-bottom foundation problems, and (3) vulnerability to storm-generated surges and winds. Secondary constraints critical to facility design, construction, and operation are primarily intensity and temporal variation of fog, wind, currents, and waves. Density or spacing of existing offshore structures and the location of primary fishing grounds must also be considered in site selection.

Secondary stresses imposed on onshore areas may well be more important than those associated with the offshore structure itself. For example, it is probable that support activities will require moving large numbers of people into flood-prone areas in the gulfward

Page 2

fringes of the coastal zone. Because land areas well-suited for urban and industrial development are extremely limited in this region, pressure to initiate wetland reclamation projects must be carefully monitored. Such projects encroach into areas of high biological productivity and very poor foundation conditions. Secondary onshore activities may thus produce stresses on the natural environment and social/economic burdens for people moving into the coastal zone. Social burdens include high risk to hurricane storm surge hazards, as well as drainage and foundation problems. Other stresses related to population increase in the gulfward fringes of the coastal zone include problems of sewage treatment, storm runoff removal, solid waste disposal, and a need for additional power-generating stations. Furthermore, the requirements for additional navigation channels to move cargo and supplies in an orderly fashion between the offshore structure and onshore support facilities may result in environmental damage. Routing of pipelines and utilities through estuarine areas between the offshore platform and onshore support facilities may also create major environmental problems.

1. La. Superport Studies: Report 1, Preliminary Recommendations and Data Analysis. Center for Wetland Resources (L.S.U., Baton Rouge, Louisiana, 1972) pp. 287-288.



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973, P. O. BOX 17740 A  
TELEPHONE 389 5034

E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

July 25, 1973

### MEMORANDUM:

TO: Dr. Frank Ullo, Delegate, CC/73

FROM: Research Staff

RE: Grain Elevators and Differential in Rating Grain

A. Grain Elevators

The New Orleans Board of Trade is one of the nominating committees in selecting the members of the Board of Commissioners of the Port of New Orleans. (La. State Agencies Handbook, 1969, p. 212.)

The Louisiana Constitution of 1921, Article VI, Section 16, gives the Board of Commissioners of the Port of New Orleans (hereafter board) the power and authority to construct elevators and to determine and fix the rental value thereof. The board also collects the revenues from such elevators.

In the comments to Article VI, Section 16, reference is made to the Acts 1910, No. 133: ". . . the (board) is hereby authorized to erect and operate warehouses and other structures necessary to the commerce of the Port of New Orleans, and to that end shall have the right to expropriate any property necessary for said purposes; . . . that the said (board) is empowered to fix charges for storage on all goods or merchandise."

Perhaps a good argument could be made that grain elevators would fall within the above act. LSA R.S. 34.21 repeats the board's authority to finance, erect, and operate all basins, locks, canals, and warehouse elevators.

The above rules necessarily apply to public elevators and structures because LSA R.S. 34.22 refers to private wharves, buildings, and improvements necessary for commercial purposes. But the statute states that even private structures are subject to the administration and control of the boards with respect to maintenance and fees.

Dr. Frank Ullo  
July 25, 1973  
Page 2

So it appears that the board does have control over the activities of grain elevators involved in commerce in New Orleans.

### B. Differential in Rating Grain

If this refers to grading of grains, there will be no differential between any port authorities, because such grading is regulated by the U. S. government. The system of grading is uniform throughout the nation.

If this refers to the amount of supervision given to weighing box cars, Baton Rouge is Class A, Plaquemine is Class C, Lake Charles does not have a grain elevator, and New Orleans' class is unknown (possibly B). (According to chief inspector at the Greater Baton Rouge Port Authority.)

### III. Proposals

#### NOTES

The draft proposals reproduced in this chapter were taken from the files of the Committee on Local and Parochial Government. No assumptions should be made based upon the order in which the proposals are presented here; the order of presentation and division of subject matter was imposed by the staff of the Constitutional Convention Records Commission and not by the Convention committee.

In instances where draft proposals were presented as addenda to committee minutes, they are reproduced with those minutes and not in this Chapter.

# A. General Provisions

DRAFT "B" OF GENERAL PROVISIONS  
APPROVED BY COMMITTEE ON LOCAL AND  
PAROCHIAL GOVERNMENT - JUNE 1,2, 1973

CC-

1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 Relative to provisions for local and parochial government.

6 PROPOSED SECTIONS:

7 Section 1. Municipalities; Incorporation, Consolidation,  
8 Merger, and Government

9 Section 1. The legislature shall provide by general  
10 law for the incorporation, consolidation, merger, and  
11 government of municipalities. No special law shall be  
12 enacted to create a municipal corporation or to amend,  
13 modify, or repeal its charter; however, if a municipality  
14 is operating under a special legislative charter it may  
15 be amended, modified, or repealed by special law as long  
16 as such municipality continues to operate under such  
17 charter.

18  
19 Source: La. Const. Art. XIV, §§10, 40 (1921).

20  
21 Comment: Provides for municipal incorporation by general  
22 law. Prohibits special law in language similar to  
23 source provision.

24  
25 Section 2. Parishes; Ratification of Boundaries,  
26 Creation, Consolidation, and Dissolution

27 Section 2. (A) All parishes and their boundaries  
28 as established under existing law are recognized and  
29 ratified.

30 (B) The legislature shall provide by general law  
31 for the creation, consolidation, or dissolution of  
32 parishes under the limitations hereinafter provided.  
33 No new parish shall contain less than six hundred twenty-  
34 five square miles, or less than fifty thousand inhabi-  
35 tants, and no parish shall be reduced below that area

2

1 or number of inhabitants.

2  
3 Source: La. Const. Art. XIV, §1, 4 (1921).

4  
5 Comment: Provides for ratification of existing parish boundaries.

6 Increases the population requirement of the existing  
7 provision for creation of new parishes from 7,000 to  
8 50,000 inhabitants.

9  
10 Section 3. Change of Parish Lines; Election

11 Section 3. Before taking effect any law changing  
12 parish lines, consolidating parishes, dissolving parishes,  
13 or creating new parishes shall be submitted to the electors  
14 of the parishes to be affected at a special election held  
15 for that purpose. The change shall take effect only if  
16 two-thirds of the total vote cast on the question in  
17 each affected parish is in favor thereof.

18  
19 Source: La. Const. Art. XIV, §§2, 4(1921).

20  
21 Comment: Provides for consolidation, dissolution, and crea-  
22 tion of new parishes only after approval by a two-thirds  
23 vote in each affected parish. The source provisions  
24 provide that parishes may be dissolved and merged by  
25 a two-thirds vote by the electors of the dissolving  
26 parish and approval by a majority vote of the electors of  
27 the parish or parishes into which the dissolved parish  
28 is to become incorporated.

29  
30 Section 4. New or Enlarged Parishes; Adjustment of  
31 Assets and Liabilities

32 Section 4. When a parish is enlarged or created  
33 from contiguous territory, it shall be entitled to a just  
34 proportion of the property and assets and shall be liable  
35 for a just proportion of the existing debts and liabilities

3

1 of the parish or parishes from which the territory is  
2 taken.

3  
4 Source: La. Const. Art. XIV, §5 (1921).

5  
6 Comment: This section is a restatement of the source pro-  
7 vision and makes no change in the law.

8  
9 Section 5. Change of Location of Parish Seat

10 Section 5. Upon the written petition of not less  
11 than twenty-five percent of the electors, as certified  
12 to by the registrar of voters, the governing authority  
13 of a parish shall call an election on the question of  
14 changing the location of the parish seat. The  
15 location of a parish seat shall not be changed unless  
16 two-thirds of the total vote cast on the question is in  
17 favor thereof.

18  
19 Source: La. Const. Art. XIV, §2 (1921).

20  
21 Comment: This section retains the requirement of a two-  
22 thirds approval by the electors voting at a special

23 election to affect a change in the location of the  
24 parish seat, and also adds details as to how the  
25 election may be called and how it shall be conducted.

27 Section 10. Appropriation to Political Subdivisions

28 Section 10. When the legislature appropriates  
29 funds to one or more political subdivisions and the  
30 legislature does not specify the purposes for which such  
31 funds shall be expended, or the amounts to be expended  
32 therefor, the expenditure of such funds shall be  
33 determined solely by the governing authority of the  
34 political subdivision or political subdivisions to  
35 which the funds are appropriated. The legislature

4

1 may require a report concerning the allocation and  
2 expenditure of such funds.

4 Source: New

6 Comment: This provision grants to political subdivisions  
7 control over specific expenditure of funds appropriated  
8 by the legislature when the legislature fails to specify  
9 within the act making the funds available the particular  
10 purposes and amounts for which such funds shall be  
11 allocated.

13 Section 11. Governing Authorities of Political Sub-  
14 divisions; Controls over Agencies They Create

15 Section 11. (A) In addition to any other powers  
16 granted by the legislature, the governing authority of  
17 a political subdivision shall have the following powers  
18 over any agency heretofore or hereafter created by it:  
19 (1) to appoint and remove members of the governing  
20 body of the agency; (2) to exercise budgetary and fiscal  
21 control over the agency, including the power to modify  
22 or veto its operating budgets, or veto or reduce line  
23 items; or to substitute a different budget therefor;  
24 (3) to abolish the governing body of the agency and to  
25 substitute itself therefor, with authority to exercise  
26 all of its powers and functions; and (4) to abolish  
27 the agency if the obligations or indebtedness of the  
28 agency are not thereby impaired.

29 (B) No such agency shall have authority to levy a  
30 tax, impose any charge, or issue bonds unless the pro-  
31 posal therefor is first approved by the governing  
32 authority of the political subdivision; provided how-  
33 ever, that after such original approval is granted no  
34 further approval shall be required.

35 (C) If the creation of the agency required the

1 concurrence of two or more such governing authorities,  
2 concurrence of all of them shall be required for the  
3 exercise of the above powers.

5 Source: La. Const. Art. XIV, §46 (1921).

7 Comment: Restates the source provision without substantive  
8 change, but adds authority to political subdivisions  
9 to appoint and remove members of the governing bodies  
10 of agencies created by them, and adds authority to the  
11 governing authority of the political subdivision to  
12 substitute itself for the governing board and to  
13 exercise all of its powers and functions.

15 Section 14. Filling of Vacancies; Appointment

16 Section 14. (A) Vacancies occasioned by death,  
17 resignation, or otherwise, in the office of police  
18 juror, city council, parish or municipal governing  
19 authority, or special district thereof, mayor or chief  
20 executive officer of any political subdivision, and any  
21 other local official elected within the boundaries of  
22 the political subdivision, shall be filled by appoint-  
23 ment by the governing authority of the political sub-  
24 division, unless otherwise provided by the home rule  
25 charter or home rule plan of government of the  
26 affected political subdivision. Vacancies in the member-  
27 ship of city or parish school boards shall be filled  
28 by appointment by the remaining members thereof. A tie  
29 vote by the governing authority of the political sub-  
30 division or school board shall be broken by its presiding  
31 officer regardless of the fact that he may already have  
32 voted as a member of the appointing body.

33 (B) If, at the time a vacancy occurs in an elective  
34 office for which appointment is provided in Paragraph A  
35 of this Section, the unexpired portion of the term of

6

1 office is more than one year, a special election to  
2 fill the vacancy shall be called by the governing  
3 authority, and held without the necessity of a call by  
4 the governor, not more than six months nor less than three  
5 months, after first receipt of notice of the vacancy  
6 by the secretary of state, to be given as hereinafter  
7 provided, in the political subdivision or special dis-  
8 trict thereof in which the vacancy occurred, and in such  
9 case the appointment provided for in Paragraph A of this  
10 section shall be effective only until a successor is  
11 duly elected and qualified.

12 (C) Upon being informed of the occurrence of a  
13 vacancy in any of the offices specified in Paragraph A  
14 of this Section, the clerk or chief clerk of the district  
15 court in the parish where the vacancy occurred, and in  
16 the parish of Orleans the clerk or chief clerk of the  
17 Criminal District Court, shall, within twenty-four  
18 hours after being thus informed, notify the secretary of  
19 state in writing by registered or certified mail of the  
20 occurrence of the vacancy. Upon receipt of such notice,  
21 the secretary of state shall, within twenty-four hours  
22 after such receipt, notify in writing by registered or  
23 certified mail all election officials, including party  
24 committees and boards of supervisors of elections, having  
25 any duty to perform in connection with a special election  
26 to fill such vacancy of the occurrence of the vacancy.

27 (D) Nothing in this Section shall be construed as  
28 changing the qualifications for the various offices  
29 involved and all appointments must be of persons who  
30 would otherwise be eligible to hold offices to which  
31 appointed.

32 (E) The provisions of this Section shall apply  
33 to all political subdivisions unless otherwise provided  
34 by the home rule charter or the home rule plan of govern-  
35 ment of the affected political subdivision.

7.

1 (F) The provisions of this Section shall not  
2 apply to the office of sheriff, assessor, clerk of  
3 a district court, coroner, judges of any court of record,  
4 or district attorney, except as otherwise provided for  
5 in this constitution.

6  
7 Source: La. Const. Art. VII, §69 (1921).

8  
9 Comment: (a) This provision authorizes the governing  
10 authority of the political subdivision wherein the vacancy  
11 occurs, rather than the governor, to fill vacancies.  
12 Deleted from the source provision are the elected offices  
13 of sheriff, assessor, clerk of a district court, coroner,  
14 district judge, and district attorney.

15 (b) Other provisions in this section restate the  
16 source provision and make no change in the law.

17  
18 Section 15. Acquisition of Property

19 Section 15. Subject to such restrictions as the  
20 legislature may provide by general law, political sub-  
21 divisions may acquire property for any public purpose,  
22 including but not limited to acquisition by purchase,  
23 donation, expropriation, or exchange.

24  
25 Source: La. Const. Art. XIV, §14 (b.1), (b.2), (d-1), (d-2),  
26 (d-4), (f), (f.1), (m), (m-1) (1921).

27

28 Comment: The source provision authorizes certain enumerated  
29 political subdivisions to acquire property. The revised  
30 section authorizes all political subdivisions to acquire  
31 property, subject to restrictions imposed by general law.  
32

33 Section 16. Servitudes of Way; Acquisition by Prescription

34 Section 16. The public, represented by the various  
35 political subdivisions, may acquire servitudes of way

8

1 by prescription in the manner prescribed by law.

2  
3 Source: La. Const. Art. XIV, §16 (1921).

4  
5 Comment: Restates the source provision and extends its  
6 applicability to include municipalities as well as  
7 parishes.

8  
9 Section 17. Prescription Against State and Political  
10 Subdivisions

11 Section 17. Prescription shall not run against the  
12 state or any political subdivision or special district  
13 thereof in any civil matter, unless otherwise provided in  
14 this constitution or expressly by general law.

15  
16 Source: La. Const. Art. XIX, §16 (1921).

17  
18 Comment: Existing provision prohibits the running of pre-  
19 scription against the state, except as provided by the  
20 constitution or laws. Revised section broadens this to  
21 include political subdivisions and special districts.

22  
23 Section 18. Zoning

24 Section 18. Political subdivisions may enact land use  
25 regulations and zoning ordinances and create and classify  
26 therein residential, commercial, industrial, and other  
27 districts, and may regulate the preservation of the  
28 character of buildings, monuments, structures, and  
29 buildings and areas of historical importance. Political  
30 subdivisions may create airport zones and regulate the  
31 heights of buildings, structures, and objects of natural  
32 growth in areas surrounding airports.

33  
34 Source: La. Const. Art. XIV, §29 (1921).

35

9

1 Comment: The source provision grants zoning authority to  
2 municipalities generally, and to certain named parishes.  
3 The revision extends the general authorization to all  
4 political subdivisions.

5

6 Section 19. Industrial Areas

7 Section 19. The legislature may authorize parishes  
8 to create industrial areas within their boundaries in  
9 accordance with such procedures and subject to such  
10 regulations as the legislature shall determine. Parish  
11 industrial areas shall not be subdivisions of the state.

12  
13 Source: La. Const. Art. XIV, §29.1 (1921).

14  
15 Comment: The above revised provision continues the legisla-  
16 tive authority to permit the creation of industrial  
17 areas, but leaves all of the procedures and regulations  
18 to the discretion of the legislature.

19  
20 Section 20. Assistance to Local Industry by Political  
21 Subdivisions

22 Section 20. (A) Subject to such restrictions as  
23 it may impose, the legislature may authorize any political  
24 subdivision, in order (i) to induce and encourage the  
25 location of or addition to industrial enterprises therein,  
26 or (ii) to provide for the establishment and furnishing  
27 of industrial plants for the conversion or processing  
28 of raw farm or agricultural products, or (iii) to provide  
29 movable or immovable property, or both, for pollution  
30 control facilities: (1) to issue bonds and use the funds  
31 derived from the sale thereof to acquire and improve indus-  
32 trial plant sites and other property necessary to the  
33 purposes thereof; (2) to acquire, through purchase, con-  
34 struction, or otherwise, and to improve, industrial plant  
35 buildings and industrial plant equipment, machinery

10

1 furnishing, and appurtenances; and (3) to sell, lease,  
2 or otherwise dispose of all or any part of the fore-  
3 going.

4 (B) It is hereby found and declared that the pur-  
5 poses designed to be accomplished herein are public and  
6 proper legal purposes and will be of public benefit to  
7 the political subdivision issuing the bonds.

8  
9 Source: La. Const. Art. XIV, §14(b.2, (b.3), 33 (1921).

10  
11 Comment: (a) The source provision provides detailed pro-  
12 cedures for the issuance of bonds by political subdivi-  
13 sions to induce, encourage, and aid the location of  
14 industry therein. Paragraph A of the revised section  
15 adopts the principle that the legislature may authorize  
16 such bonds, and the detailed procedures for the issuance  
17 of the bonds are omitted from the constitution and  
18 should be placed in the statutes.

19 (b) Continues present stipulation that such bonds  
20 are for public and proper legal purposes.

22 Section 21. Creation of Special Districts; Authority

23 Section 21. The power of the legislature by general  
24 or special law to create or authorize the creation of  
25 special districts, boards, agencies, commissions, and  
26 authorities of every type useful in carrying on the duties  
27 and functions of political subdivisions and, subject to  
28 the limitations imposed in this constitution, to grant  
29 the special districts, boards, agencies, commissions,  
30 and authorities so created such rights, powers, and  
31 authorities as it deems proper, including, but not  
32 limited to, the power of taxation, the power to incur  
33 debt and issue bonds, and the power to reclaim property  
34 from the beds of lakes and streams, is hereby  
35 confirmed.

11

1  
2 Source: New

3  
4 Comment: (1) It is the purpose of this section, not only  
5 to clearly vest plenary authority in the legislature  
6 to create or authorize the creation of special districts  
7 and authorities of every type and define their powers,  
8 but this section is also to negate any argument that  
9 further constitutional authority is necessary for the  
10 legislature to exercise this function. The legislature  
11 will, however, be subject to limitations otherwise  
12 provided by the constitution, such as tax exemptions and  
13 debt limitations.

14 (2) The effect of the above section is to remove  
15 from the constitution the following: (1) ports, har-  
16 bors and terminal districts (§§30.1 and 31); (2) Lake  
17 Charles Harbor and Terminal District (§30.2); (3)  
18 navigation and river improvement districts (§§30.3 and 30.4);  
19 (4) Red River Waterway (§30.5); (5) garbage districts  
20 (34); (6) Fourth Jefferson Drainage District (§35); (7)  
21 Jefferson Parish community center and playground districts  
22 (§36); (8) Jefferson Parish subsewerage districts (§37.1);  
23 (9) Jefferson Parish public improvement districts (§30);  
24 (10) Calcasieu community center and playground districts  
25 (§39.1); (11) Jefferson Parish drainage districts (§43);  
26 (12) Sabine River Authority (§45); and (13) Louisiana  
27 Stadium and Exposition District (§47). The foregoing  
28 list is not exclusive. (References are to present  
29 sections).

30 (3) It is the purpose of the revised section to  
31 continue by legislative acts the special districts,  
32 boards, agencies, commissions, and authorities provided  
33 for in the present Article XIV. Legislation should be  
34 submitted to place them in the revised statutes.

35 (4) It is further recognized, however, that certain

existing agencies by reason of their importance, scope, or peculiar circumstances have or should have special treatment in the constitution, such as the Civil Service Commission.

Section 22. Recall

Section 22. The legislature shall by general law provide for the recall of state, district, parish, municipal, or ward officers, except judges of the courts of record, and except wherein otherwise provided by this constitution. The sole issue to be voted on at any recall election shall be whether such officers shall be recalled.

Source: La. Const. Art. IX, §9 (1921).

Comment: This section is taken from the source provision, and makes no changes in the law.

Section 24. Uniform Procedure for Calling, Conducting, and Canvassing the Returns of Certain Special Elections

Section 24. When any election is required to be held in any political subdivision pursuant to the provisions of this constitution which requires submission to the electors of any proposition or question, such as the change of parish lines, change of location of parish seat, levying of taxes, issuance of bonds or incurring of other debt obligations, the assumption of debt, referendum, recall, or the adoption of a home rule charter, the election shall be called, conducted, and the returns thereof canvassed, in accordance with the law pertaining to elections for incurring bonded indebtedness and special taxes relative to local finance, as the same now exists or may hereafter be amended, or as may be otherwise provided by the legislature.

Source: New

Comment: Provides that applicable procedures set forth in the statutes shall be followed when holding special elections.

DRAFT OF GENERAL PROVISIONS LOCAL AND PAROCHIAL GOVERNMENT ARTICLE (For consideration June 15,16, 1973)

CC-

Constitutional Convention of Louisiana of 1973

Introduced by Delegate Burson on behalf of the Subcommittee

Drafting General Provisions

A PROPOSAL

Relative to provisions for local and parochial government.

PROPOSED SECTIONS:

Section 6. Existing Home Rule Charters and Plans of Government of Parishes and Municipalities Ratified

(A) The plans of government and home rule charters of the parishes of East Baton Rouge, Jefferson, and Plaquemines and of the cities of New Orleans, Baton Rouge, and Shreveport shall remain in effect until amended, modified, or repealed as provided therein. Each of them shall retain the authority, powers, rights, privileges, and immunities granted by its charter. Each shall be subject to the duties imposed by the applicable constitutional provisions under which its plan or charter was adopted. Each of them also shall enjoy such additional powers as are granted to political subdivisions by provisions of this constitution, unless the exercise of such powers is prohibited by its charter.

(B) Every other home rule charter in effect, or approved by the voters and not yet in effect, shall remain in effect and may be amended, modified, or repealed as provided therein.

Source: La. Const. Art. XIV, §§ 3(a), 3(c), 3(second d), 22, 37 (1921).

Comment: (a) The source provisions provide in detail for the establishment and operation of the plan of government for the parishes of East Baton Rouge and Jefferson, and the cities of Baton Rouge, New Orleans, and Shreveport.

Since the source provisions provide for purely local matters, it is not necessary to include the detailed provisions in the text of the constitution.

(b) Under Const. Art. XIV, §3(second d), detailed procedures are set out for the adoption of a charter commission form of parish government. Such a plan of government has been adopted in Plaquemines Parish and is specifically ratified in this section.

Section 7. Powers and Limitations on Political Subdivisions

(A) Any political subdivision may exercise any power and perform any function pertaining to its government and all other powers necessary, requisite,

15 or proper for the management of its affairs not denied  
16 to it by its charter, by this constitution, or by general  
17 law, including but not limited to the power (1) to  
18 legislate upon, regulate, conduct, and control all  
19 matters of local governmental administration; (2) to  
20 define the powers, duties, and qualifications of parochial  
21 or municipal employees; (3) to provide for the protec-  
22 tion of the public health, safety, morals, and welfare;  
23 (4) to create special districts; (5) to license; (6)  
24 to tax any enterprise or object not excluded by this  
25 constitution or the general laws of this state; (7) to  
26 incur debt and issue bonds, except as otherwise pro-  
27 vided in this constitution. Any political subdivision  
28 may exercise concurrently with the state any power or  
29 function pertaining to its government and affairs to  
30 the extent that the legislature by general law does not  
31 specifically limit the concurrent exercise of any such  
32 power or functions or specifically declare the state's  
33 exercise of any such power or function to be exclusive  
34 except as hereinafter provided.

35 (B) Political subdivisions do not have the power (1)

3

1 to incur debt payable from ad valorem tax receipts  
2 maturing more than forty years from the time it is  
3 incurred; (2) to define and provide for the punish-  
4 ment of a felony; or (3) to enact private or civil  
5 ordinances governing civil relationships.

6 (C) Political subdivisions shall have the power  
7 that the legislature may provide by law to levy and  
8 collect occupational license taxes or taxes upon or  
9 measured by income or earnings.

10 (D) The legislature may not deny or limit the power  
11 of political subdivisions (1) to make local improve-  
12 ments by special assessment and to exercise this power  
13 jointly with other political subdivisions and other  
14 classes of units of local government having that power  
15 on the effective date of this constitution unless that  
16 power is denied by law to all other political sub-  
17 divisions of the same kind; or (2) to levy additional  
18 taxes upon areas within their boundaries, in the manner  
19 provided by law, to provide special services to those  
20 areas and for the payment of debt incurred to provide  
21 those special services.

22 (E) The legislature shall not pass any law which  
23 changes, modifies, or affects the structure and/or  
24 organization and/or the particular distribution and  
25 redistribution of the powers and functions of any  
26 political subdivision which operates under a home  
27 rule charter.

28 (F) Powers and functions of any political subdivision  
29 shall be construed liberally in favor of the political  
30 subdivision.

31  
32 Source: New. See, however, Ill., Const. Art. VII, §§6(a),  
33 6(d), 6(e), 6(l), 6(m) (1970); and Model State Constitution,  
34 Sixth Edition (Revised) Art. VIII, §8.02 (1968).  
35

4

1 Comment: (a) The provisions in this section grant broad  
2 powers of local self-government to political subdivisions.  
3 The grant of powers is accomplished in two ways. In  
4 paragraph A these units of local government are given  
5 general authority to exercise any power and perform any  
6 function relating to their government and affairs.  
7 Second, four important powers--to regulate, to license,  
8 to tax, and to incur indebtedness--are enumerated in  
9 the powers given to these units of local government.

10 (b) This broad grant of powers is subject to  
11 restrictions set forth in paragraph B relating to local  
12 debt, defining, and providing for punishment of a felony  
13 and private or civil laws governing civil relationships.  
14

#### 15 Section 8. Home Rule Charter

16 Section 8. (A) Any political subdivision may draft,  
17 adopt, or amend a charter of government to be known as  
18 a home rule charter in accordance with the provisions  
19 of this section. The governing authority of any such  
20 political subdivision may appoint a commission to prepare  
21 and propose a charter, or may call an election for the  
22 purpose of electing such a commission.

23 (B) The governing authority of any such political  
24 subdivision shall call an election to elect a commission  
25 to prepare and propose a charter or alternate charter  
26 when presented with a petition signed by not less than  
27 twenty percent of the electors who live within the  
28 boundaries of the affected political subdivision, as  
29 certified by the registrar of voters.

30 (C) A home rule charter shall be adopted when  
31 approved by a majority of the electors voting on the  
32 charter proposal at an election called for that purpose.  
33

34 Source: La. Const. Art. XIV, §40 (1921).  
35

5

1 Comment: These provisions grant home rule powers to  
2 political subdivisions. A home rule charter may be  
3 adopted by a municipality under R.S. 33:1381, et seq.

4 which are general laws providing the requirements for  
5 adoption of a home rule charter.

7 Section 9. Legislation Increasing Expenditures by  
8 Political Subdivisions; Local Approval

9 Section 9. No law requiring an increase in expendi-  
10 tures from funds of a political subdivision shall have  
11 effect until approved by ordinance enacted by the govern-  
12 ing authority of the political subdivision affected  
13 thereby. When funds sufficient to meet the increased  
14 expenditure are provided to the political subdivision  
15 by law, local approval shall not be required.

16 Reported without action. There is a division among members  
17 of the subcommittee. Some members feel if this section  
18 is adopted, a provision should be approved allowing  
19 municipal employees to bargain collectively, and/or  
20 a provision permitting municipal employees under civil  
21 service to engage in certain political activities.

22 Source: New

23  
24 Comment: Authorizes the legislature to enact a law requiring  
25 an increase in expenditures by a political subdivision  
26 only when funds are made available from state sources  
27 or, if not, only after the local governing authority  
28 of the political subdivision has approved the increase.

29 Section 12. Special Districts and Public Agencies;  
30 Assumption of Debt, Consolidation, and Merger

31 Section 12. (A) Any political subdivision may  
32 assume the debt of any special district, or any public

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34  
35  
6  
1 agency created by it, except school districts, situated  
2 and having jurisdiction entirely within the boundaries  
3 of such political subdivision. Upon such debt assump-  
4 tion the political subdivision shall succeed to and be  
5 vested with all of the rights, revenues, resources,  
6 jurisdiction, authority, and powers of such special  
7 district or public agency. No such action shall take  
8 effect unless a majority of the electors in such special  
9 district and a majority of the electors in the political  
10 subdivision assuming the debt who vote in an election  
11 held for that purpose vote in favor thereof.

12 (B) If the special district or public agency which  
13 is abolished has any outstanding indebtedness, the  
14 authority provided for by this section shall not be  
15 exercised unless provision is made for the assumption  
16 of such indebtedness by the governing authority or

17 authorities of the political subdivisions involved.

18 (C) Any political subdivision may merge or con-  
19 solidate any such special district, or public agency  
20 created by it into such political subdivision.

21  
22 Source: La. Const. Art. XIV, §14 (k) (1921).

23  
24 Comment: The source provision provides the legislature  
25 may by general law, authorize any parish to assume the  
26 debt of certain enumerated special districts, provided  
27 that property taxpayer approval is secured at an elec-  
28 tion held for that purpose. The above section extends  
29 the source provision to authorize any political sub-  
30 division to assume the indebtedness of any district  
31 or public agency, except school districts, lying en-  
32 tirely within its boundaries without necessity of  
33 legislative authorization. Present provision requires  
34 a majority in number and amount of the qualified pro-  
35 perty taxpayers to approve the action. Proposed

7  
1 provision requires a majority of the electors. This  
2 brings the provision into conformity with recent United  
3 States Supreme Court decisions, Cipriano v. Houma, 395  
4 U.S. 701 (1969); Phoenix v. Kolodziejewski, 399 U.S. 204  
5 (1970); to eliminate the taxpayer requirement for  
6 voting in such elections.

7  
8 Section 13. Local Officials; Election

9 Section 13. The electors of each political sub-  
10 division shall have the exclusive right to elect the  
11 chief executive officer, members of their respective  
12 governing authorities, and any other local official  
13 elected within the boundaries of the political sub-  
14 division. Such officials shall not be subject to  
15 removal by the legislature. The salaries of these  
16 officials shall not be reduced during the terms for  
17 which they are elected.

18  
19 Source: La. Const. Art. XIV, §40(b) (1921).

20  
21 Comment: Restates without substantive change Paragraph (b)  
22 of Section 40, but broadens it to include parish  
23 officials.

24  
25 Section 23. Classification

26 Section 23. Except as provided in this constitution,  
27 the legislature may classify political subdivisions  
28 according to population or on any other reasonable  
29 basis related to the purpose of this classification,  
30 and legislation may be limited in its effect to any  
31 of such class or classes; but, no statute which is

32 applicable to fewer than six political subdivisions  
33 shall become operative in any such political subdivision  
34 until submitted to and approved by a majority of the  
35 electors of that political subdivision voting in an

8

1 election held for that purpose.

3 Source: La. Const. Art. XIV, §22 (1921).

5 Comment: Under the source provision, legislation applicable  
6 to fewer than the five largest cities of the state shall  
7 not become operative in the city of New Orleans until  
8 approved by a majority of the qualified electors of the  
9 city of New Orleans voting at an election. The revision  
10 provides that if a law is applicable to fewer than six  
11 political subdivisions the law becomes operative in a  
12 political subdivision to which it applies only if  
13 approved by the voters of that political subdivision.  
14 Thus, the law becomes operative in a municipality where  
15 it is approved, even if it does not become operative  
16 in others because the voters disapprove or no election  
17 is held. The exception deals with municipal taxation;  
18 under that section the legislature is authorized to make  
19 exceptions for individual municipalities from general  
20 laws pertaining to taxation.

22 Section 25. Supremacy of Constitution and General Laws

23 Section 25. The provisions of this constitution  
24 shall be paramount and neither the legislature, nor any  
25 political subdivision, shall enact any laws or ordinances  
26 in conflict therewith. [Except as otherwise provided in  
27 this constitution, the general laws enacted by the  
28 legislature shall be paramount to the ordinances of any  
29 political subdivision.]

31 The subcommittee recommends deletion of the last sentence  
32 of this section.

34 Source: New

9

1 Comment: Provides for supremacy of the constitution and  
2 general laws over ordinances enacted by political  
3 subdivisions.

5 Section 26. Intergovernmental Cooperation

6 Section 26. Any political subdivision may exercise

7 and perform any of its authorized powers and functions,  
8 including the financing, jointly or in cooperation with  
9 one or more political subdivisions, either within or  
10 without the state, except as the legislature shall  
11 provide otherwise by law. The legislature shall not  
12 by general or special law require political subdivisions  
13 to exercise or perform functions jointly or in coopera-  
14 tion with any other political subdivision, nor shall  
15 the legislature require consolidation of governmental  
16 functions of local governmental subdivisions.

18 Source: New. See, however, South Dakota Const. Art. IX,  
19 §3, (1889).

21 Comment: Provides for intergovernmental cooperation be-  
22 tween parishes and municipalities and between these  
23 political subdivisions and the state and federal  
24 government.

26 Section 27. Terms Defined

27 Section 27.

- 28 1) As used in this Article "municipality" means
- 29 incorporated cities, towns, and villages.
- 30 2) "Political subdivision" as used in this consti-
- 31 tution refers to parishes, municipalities, and any
- 32 other unit of local government authorized by law to
- 33 perform general governmental functions.
- 34 3) "Governing authority" means the body which exer-
- 35 cises the legislative functions of the political subdivision.

10

1 4) "Chief executive officer" as used in this Article  
2 refers to the mayor, or the chief executive officer  
3 of any political subdivision.

4 5) "General law" as used in this Article refers  
5 to a law of statewide concern which is uniformly  
6 applicable to every political subdivision in the  
7 entire state or which is uniformly applicable to all  
8 political subdivisions within the same class as estab-  
9 lished in accordance with the classification provisions  
10 of Section 23 of this Article.

11 6) "Special law" means any law other than a general  
12 law.

14 Source: New

16 Comment: Provides definitions for various terms used in  
17 this Article.

1 Constitutional Convention of Louisiana of 1973  
2 COMMITTEE PROPOSAL NUMBER  
3 Introduced by  
4 A PROPOSAL  
5 Relative to provisions for local and parochial government.

6 PROPOSED SECTIONS:

7 Section 6. Existing Home Rule Charters and Plans of  
8 Government of Parishes and Municipalities Ratified

9 Section 6. (A) The plans of government and home rule  
10 charters of the parishes of East Baton Rouge, Jefferson,  
11 and Plaquemines and of the cities of New Orleans, Baton  
12 Rouge, and Shreveport shall remain in effect, but may be  
13 amended, modified, or repealed as provided therein. Each  
14 of them shall retain the authority, powers, rights,  
15 privileges, and immunities granted by its charter. Each  
16 shall be subject to the duties imposed by the applicable  
17 constitutional provisions under which its plan or charter  
18 was adopted. Each of them also shall enjoy such additional  
19 powers and functions as are granted to local governmental  
20 subdivisions by provisions of this constitution, including  
21 Sections 7 and 8 of this Article, unless the exercise  
22 of such powers and functions is prohibited by its charter.

23 (B) Every other home rule charter adopted or authorized  
24 when this constitution is adopted shall remain in effect  
25 and may be amended, modified, or repealed as provided in  
26 the charter.

27  
28 Source: La. Const. Art. XIV, §§3(a), 3(c), 3(second d),  
29 22, 37 (1921).

30  
31 Section 7. Powers of Local Governmental Subdivisions

32 Section 7. Any local governmental subdivision may  
33 exercise and perform any power and function necessary,  
34 requisite, or proper for the management of its affairs  
35 not denied to it by its charter, by this constitution,

2

1 or by general law, including but not limited to the  
2 power (1) to legislate upon, regulate, conduct, and  
3 control all matters of local governmental administration;  
4 (2) to define the powers, duties, and qualifications of  
5 parochial or municipal employees; (3) to provide for the  
6 protection of the public health, safety, morals, and  
7 welfare; (4) to create special districts; (5) to license;  
8 (6) to tax under the limitations provided in this  
9 constitution or the general laws of this state; (7)  
10 to incur debt and issue bonds, except as otherwise  
11 provided in this constitution. Any local governmental

12 subdivision may exercise concurrently with the state any  
13 power or function pertaining to its government and  
14 affairs to the extent that the legislature by general  
15 law does not specifically limit the concurrent exercise  
16 of any such power or functions or specifically declare  
17 the state's exercise of any such power or function to be  
18 exclusive except as provided in this Article.

19  
20 Source: New. See, however, Ill., Const. Art. VII, §§6(a),  
21 6(d), 6(e), 6(l), 6(m) (1970); and Model State Constitution,  
22 Sixth Edition (Revised) Art. VIII, §8.02 (1968).

23  
24 Section 8. Home Rule Charter

25 Section 8. (A) Any local governmental subdivision  
26 may draft, adopt, or amend a charter of government to be  
27 known as a home rule charter in accordance with the pro-  
28 visions of this section. The governing authority of any  
29 such local governmental subdivision may appoint a com-  
30 mission to prepare and propose a charter, or may call an  
31 election for the purpose of electing such a commission.

32 (B) The governing authority of any such local govern-  
33 mental subdivision shall call an election to elect a  
34 commission to prepare and propose a charter or alternate  
35 charter when presented with a petition signed by not less

3

than fifteen percent of the electors who live within  
2 the boundaries of the affected subdivision, as certified  
3 by the registrar of voters.

4 (C) A home rule charter shall be adopted when  
5 approved by a majority of the electors voting on the  
6 charter proposal at an election called for that purpose.

7 (D) A home rule charter, or any amendment thereto,  
8 adopted pursuant to the provisions of this section,  
9 shall provide for the structure, organization, powers  
10 and functions for the government of the local govern-  
11 mental subdivision, which may include the exercise and  
12 performance of any power and function necessary, requisite,  
13 or proper for the management of its affairs, not denied  
14 by general law or this constitution; provided,  
15 however, the legislature shall not pass any law the  
16 effect of which changes, modifies, or affects the struc-  
17 ture, organization and/or the particular distribution  
18 and redistribution of the powers and functions of any  
19 local governmental subdivision which operates under a  
20 home rule charter.

21  
22 Source: La. Const. Art. XIV, §40 (1921).

CC-

1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER  
3 Introduced by  
4 A PROPOSAL  
5 Relative to provisions for local and parochial government.

6 PROPOSED SECTIONS:

7 Section 1. Municipalities; Incorporation, Consoli-  
8 dation, Merger, and Government

9 Section 1. The legislature shall provide by  
10 general law for the incorporation, consolidation,  
11 merger, and government of municipalities. No spe-  
12 cial law shall be enacted to create a municipal  
13 corporation or to amend, modify, or repeal its charter;  
14 however, if a municipality is operating under a special  
15 legislative charter it may be amended, modified, or  
16 repealed by special law as long as such municipality  
17 continues to operate under such charter.

18 Source: La. Const. Art. XIV, §§10, 40 (1921).

19 Comment: Provides for municipal incorporation by general  
20 law. Prohibits special law in language similar to  
21 source provision.

22 Section 2. Parishes; Ratification of Boundaries,  
23 Creation, Consolidation, and Dissolution

24 Section 2. (A) All parishes and their boundaries  
25 as established under existing law are recognized and  
26 ratified.

27 (B) The legislature shall provide by general law  
28 for the creation, consolidation, or dissolution of  
29 parishes under the limitations hereinafter provided.  
30 No new parish shall contain less than six hundred  
31 twenty-five square miles, or less than fifty thousand  
32 inhabitants, and no parish shall be reduced below that

33 2

34 area or number of inhabitants.

35 Source: La. Const. Art. XIV, §1, 4 (1921).

1 Comment: Provides for ratification of existing parish  
2 boundaries. Increases the population requirement of  
3 the existing provision for creation of new parishes  
4 from 7,000 to 50,000 inhabitants.

5 Section 3. Change of Parish Lines; Election

6 Section 3. Before taking effect any law changing  
7 parish lines, consolidating parishes, dissolving  
8 parishes, or creating new parishes shall be submitted  
9 to the electors of the parishes to be affected at a  
10 special election held for that purpose. The change  
11 shall take effect only if two-thirds of the total vote

12 cast on the question in each affected parish is in  
13 favor thereof.

14 Source: La. Const. Art. XIV, §2, 4 (1921).

15 Comment: Provides for consolidation, dissolution, and  
16 creation of new parishes only after approval by a  
17 two-thirds vote in each affected parish. The source  
18 provisions provide that parishes may be dissolved and  
19 merged by a two-thirds vote by the electors of the  
20 dissolving parish and approval by a majority vote of  
21 the electors of the parish or parishes into which the  
22 dissolved parish is to become incorporated.

23 Section 4. New or Enlarged Parishes; Adjustment of  
24 Assets and Liabilities

25 Section 4. When a parish is enlarged or created  
26 from contiguous territory, it shall be entitled to a  
27 just proportion of the property and assets and shall

28 3

29 be liable for a just proportion of the existing debts  
30 and liabilities of the parish or parishes from which  
31 the territory is taken.

32 Source: La. Const. Art. XIV, §5 (1921).

33 Comment: This Section is a restatement of the source pro-  
34 vision and makes no change in the law.

35 Section 5. Change of Location of Parish Seat

1 Section 5. Upon the written petition of not  
2 less than twenty-five percent of the electors, as  
3 certified to by the registrar of voters, the governing  
4 authority of a parish shall call an election on the  
5 question of changing the location of the parish seat.  
6 The location of a parish seat shall not be changed  
7 unless two-thirds of the total vote cast on the ques-  
8 tion is in favor thereof.

9 Source: La. Const. Art. XIV, §2 (1921).

10 Comment: This Section retains the requirement of a two-  
11 thirds approval by the electors voting at a special  
12 election to affect a change in the location of the  
13 parish seat, and also adds details as to how the  
14 election may be called and how it shall be conducted.

15 Section 6. Existing Home Rule Charters and Plans of  
16 Government of Parishes and Municipalities Ratified

30 Section 6. (A) The plans of government and home  
31 rule charters of the parishes of East Baton Rouge,  
32 Jefferson, and Plaquemines and of the cities of New  
33 Orleans, Baton Rouge, and Shreveport shall remain in  
34 effect, <sup>but</sup> may be amended, modified, or repealed as  
35 provided therein. Each of them shall retain the

4

1 authority, powers, rights, privileges, and immunities  
2 granted by its charter. Each shall be subject to the  
3 duties imposed by the applicable constitutional pro-  
4 visions under which its plan or charter was adopted.  
5 Each of them also shall enjoy such additional powers  
6 and functions as are granted to local governmental  
7 subdivisions by provisions of this constitution,  
8 including Sections 7 and 8 of this Article, unless  
9 the exercise of such powers and functions is prohi-  
10 bited by its charter.

11 (B) Every other home rule charter adopted or  
12 authorized when this constitution is adopted shall  
13 remain in effect and may be amended, modified, or  
14 repealed as provided in the charter.

15  
16 Source: La. Const. Art. XIV, §§3(a), 3(c), 3(second d),  
17 22, 37 (1921).

18  
19 Comment: (a) The source provisions provide in detail  
20 for the establishment and operation of the plan of  
21 government for the parishes of East Baton Rouge and  
22 Jefferson, and the cities of Baton Rouge, New Orleans,  
23 and Shreveport. Since the source provisions provide  
24 for purely local matters, it is not necessary to  
25 include the detailed provisions in the text of the  
26 constitution.

27 (b) Under Const. Art. XIV, §3(second d), detailed  
28 procedures are set out for the adoption of a charter  
29 commission form of parish government. Such a plan of  
30 government has been adopted in Plaquemines Parish and  
31 is specifically ratified in this section.

32 (c) Allows existing home rule charter local  
33 governments to exercise the powers and functions  
34 granted in the new constitution, particularly those  
35 in Sections 7 and 8 of this Article, relative to

5

1 powers and functions of other local governmental sub-  
2 divisions and home rule charter governments adopted  
3 under the provisions of the new constitution, unless  
4 the exercise thereof is prohibited by its charter.

5 (d) Paragraph (B) gives effect to any home  
6 rule charter adopted or authorized but not effective  
7 on the effective date of the new constitution.

8  
9 Section 7. Powers of Local Governmental Subdivisions

10 Section 7. (A) Any local governmental subdivi-  
11 sion may exercise and perform any power and function  
12 necessary, requisite, or proper for the management  
13 of its affairs not denied to it by its charter, by  
14 this constitution, or by general law, including but  
15 not limited to the power (1) to legislate upon, regu-  
16 late, conduct, and control all matters of local govern-  
17 mental administration; (2) to define the powers, duties,  
18 and qualifications of parochial or municipal employees;  
19 (3) to provide for the protection of the public health,  
20 safety, morals, and welfare; (4) to create special  
21 districts; (5) to license; (6) to tax under the limi-  
22 tations provided in this constitution or the general  
23 laws of this state; (7) to incur debt and issue bonds,  
24 except as otherwise provided in this constitution.

25 (B) Any local governmental subdivision may  
26 exercise concurrently with the state any power or  
27 function pertaining to its government and affairs to  
28 the extent that the legislature by general law does  
29 not specifically limit the concurrent exercise of any  
30 such power or functions or specifically declare the  
31 state's exercise of any such power or function to be  
32 exclusive except as provided in this Article.

33 (C) Powers and functions of local governmental  
34 subdivisions shall be construed liberally in favor of  
35 such local governmental subdivisions.

6

1 Source: New. See, however, Ill. Const. Art. VII, §§6(a),  
2 6(i), 6(m) (1970).

3  
4 Comment: (a) The provisions in this Section grant broad  
5 powers of local self-government to local governmental  
6 subdivisions. The grant of powers is accomplished  
7 in two ways. First, local governmental subdivisions  
8 are given general authority to exercise any power and  
9 perform any function relating to their government and  
10 affairs not denied by its charter, this constitution,  
11 or general law. Second, four important powers--to  
12 regulate, to license, to tax, and to incur indebted-  
13 ness--are enumerated in the powers given to local  
14 governmental subdivisions.

15 (b) Paragraph (B) allows local governmental sub-  
16 divisions to exercise concurrent power with the state

17 unless such exercise is prohibited or limited by the  
18 legislature.

20 Section 7.1. Limitations on Local Governmental  
21 Subdivisions

22 Section 7.1. Local governmental subdivisions do  
23 not have the power (1) to incur debt payable from ad  
24 valorem tax receipts maturing more than forty years  
25 from the time it is incurred; (2) to define and pro-  
26 vide for the punishment of a felony; or (3) to enact  
27 private or civil ordinances governing civil relationships.

28  
29 Source: New. Sec, however, Ill. Const. Art. VII, §6(d);  
30 and Model State Constitutions, Sixth Edition (Revised)  
31 Art. VIII, §8.02 (1968).

32  
33 Comment: Enumerates three restrictions on the broad grant  
34 of power given local governmental subdivisions in  
35 Section 7 of this Article.

1 Section 8. Home Rule Charter

2 Section 8. (A) Any local governmental subdivision  
3 may draft, adopt, or amend a charter of government to  
4 be known as a home rule charter in accordance with the  
5 provisions of this Section. The governing authority  
6 of any such local governmental subdivision may appoint  
7 a commission to prepare and propose a charter, or may  
8 call an election for the purpose of electing such a  
9 commission.

10 (B) The governing authority of any such local  
11 governmental subdivision shall call an election to  
12 elect a commission to prepare and propose a charter  
13 or alternate charter when presented with a petition  
14 signed by not less that fifteen percent of the electors  
15 who live within the boundaries of the affected sub-  
16 division, as certified by the registrar of voters.

17 (C) A home rule charter shall be adopted when  
18 approved by a majority of the electors <sup>who</sup> ~~voting~~ on the  
19 charter proposal at an election called for that purpose.

20 (D) Two or more local governmental subdivisions  
21 situated within the boundaries of one parish may avail  
22 themselves of the provisions of this Section, provided  
23 that a majority of the electors <sup>who vote</sup> ~~who vote~~ in each affected  
24 local governmental subdivision/ <sup>who vote</sup> in an election held  
25 for that purpose ~~vote~~ in favor thereof. The legis-  
26 lature shall provide for the method of appointment or  
27 election of a commission to prepare and propose such  
28 a charter consistent with Paragraph A of this Section;  
29 provided, however, that at least one member of the com-  
30 mission shall be elected or appointed from each affected

31 local governmental subdivision. The legislature shall  
32 provide the method by which the electors of more than  
33 one local governmental subdivision within the boundaries  
34 of one parish may petition for an election for such pur-  
35 pose consistent with Paragraph B of this Section.

1 (E) A home rule charter, or any amendment thereto,  
2 adopted pursuant to the provisions of this Section,  
3 shall provide for the structure, organization, powers,  
4 and functions for the government of the local govern-  
5 mental subdivision, which may include the exercise and  
6 performance of any power and function necessary, requi-  
7 site, or proper for the management of its affairs, not  
8 denied by general law or this constitution; provided,  
9 however, the legislature shall not pass any law the  
10 effect of which changes, modifies, or affects the struc-  
11 ture, organization and/or the particular distribution  
12 and redistribution of the powers and functions of any  
13 local governmental subdivision which operates under  
14 a home rule charter.

15 Source: La. Const. Art. XIV, §40 (1921).

16 Comment: These provisions grant home rule powers to parishes  
17 or municipalities or a combination of both. A home  
18 rule charter may be adopted by a municipality under  
19 R.S. 33:1381, et seq., which are general laws providing  
20 the requirements for adoption of a home rule charter.

21 Section 8.1. Home Rule Parish; Incorporation of  
22 Cities, Towns, and Villages

23 Section 8.1. When two-thirds of the electors as  
24 certified by the registrar of voters of an unincorporated  
25 settlement in any parish operating under a home rule  
26 charter or a home rule plan of government sign and present  
27 to the governor a petition and meet other necessary  
28 requirements as set forth under the general laws pro-  
29 viding for the incorporation of cities, towns, and  
30 villages, such cities, towns, and villages may be  
31 incorporated; provided, however, no such newly incorporated  
32 area shall include any property previously included in  
33 any industrial area or district.

1 any industrial area or district.

3 Source: New  
4  
5 Comment: LSA-R.S. 33:32, 33:33, 33:51, and 33:52 set  
6 forth the requirements that must be met before incor-  
7 poration is possible. This gives constitutional  
8 sanction to the incorporation of settlement in parishes  
9 operating under a charter or home rule plan of government

10  
11 Section 10. Appropriation to Political Subdivisions

12 Section 10. When the legislature appropriates  
13 funds to one or more political subdivisions and the  
14 legislature does not specify the purposes for which  
15 such funds shall be expended, or the amounts to be  
16 expended therefor, the expenditure of such funds shall  
17 be determined solely by the governing authority of the  
18 political subdivision or political subdivisions to  
19 which the funds are appropriated. The legislature  
20 may require a report concerning the allocation and  
21 expenditure of such funds.

22  
23 Source: New

24  
25 Comment: This provision grants to political subdivisions  
26 control over specific expenditure of funds appropriated  
27 by the legislature when the legislature fails to specify  
28 within the act making the funds available the particular  
29 purposes and amounts for which such funds shall be  
30 allocated.

31  
32 Section 11. Governing Authorities of /Political Sub-  
33 divisions; Controls Over Agencies They Create

34 Section 11. (A) In addition to any other powers  
35 granted by the legislature, the governing authority of

1 local governmental subdivision  
2 a /political subdivision shall have the following powers  
3 over any agency heretofore or hereafter created by it:  
4 (1) to appoint and remove members of the governing body  
5 of the agency; (2) to exercise budgetary and fiscal  
6 control over the agency, including the power to modify  
7 or veto its operating budgets, or veto or reduce line  
8 items; or to substitute a different budget therefor;  
9 (3) to abolish the governing body of the agency and to  
10 substitute itself therefor, with authority to exercise  
11 all of its powers and functions; and (4) to abolish  
12 the agency if the obligations or indebtedness of the  
13 agency are not thereby impaired.

14 (B) No such agency shall have authority to levy a  
15 tax, impose any charge, or issue bonds unless the pro-  
16 posal therefor is first approved by the governing  
17 local governmental subdivision  
18 authority of the /political subdivision; provided, how-

17 ever, that after such original approval is granted no  
18 further approval shall be required.

19 (C) If the creation of the agency required the  
20 concurrence of two or more ~~such governing authorities,~~  
21 concurrence of all of them shall be required for the  
22 exercise of the above powers.

23  
24 Source: La. Const. Art. XIV, §46 (1921).

25  
26 Comment: Restates the source provision without substantive  
27 change, but adds authority to local governmental sub-  
28 divisions to appoint and remove members of the governing bodies  
29 of agencies created by them, and adds authority to the  
30 governing authority of the local governmental subdivision  
31 to substitute itself for the governing board and to  
32 exercise all of its powers and functions.

33  
34 Section 12. Special Districts and Public Agencies;  
35 Consolidation, Merger, and Assumption of Debt

11

1 Section 12. (A) Any local governmental subdi-  
2 vision may consolidate and merge into itself any special  
3 district or public agency, except school districts,  
4 situated and having jurisdiction entirely within the  
5 boundaries of such local governmental subdivision.  
6 Upon such merger or consolidation the local govern-  
7 mental subdivision shall succeed to and be vested with  
8 all of the rights, revenues, resources, jurisdiction,  
9 authority, and powers of such special district or public  
10 agency. No such action shall take effect unless a  
11 majority of the electors in such special district and  
12 a majority of the electors in the local governmental  
13 subdivision ~~assuming the debt~~ who vote in an election held for  
14 that purpose vote in favor thereof.

15 (B) If the special district or public agency which  
16 is abolished has any outstanding indebtedness, the  
17 authority provided for by this Section shall not be  
18 exercised unless provision is made for the assumption  
19 of such indebtedness by the governing authority or  
20 authorities of the local governmental subdivisions  
21 involved.

22  
23 Source: La. Const. Art. XIV, §14(k) (1921).

24  
25 Comment: (a) The source provides the legislature may  
26 authorize any parish to assume the debt of certain  
27 enumerated special districts. The new section authorizes  
28 any local governmental subdivision to merge into itself  
29 any district or public agency, except school districts,  
30 lying entirely within its boundaries. The requirement

of legislative authorization is removed. Present provision requires a majority in number and amount to approve the action. Proposed provision requires a majority of the electors. This brings the provision into conformity with recent United States Supreme

12

Court decisions to eliminate the taxpayer requirement for voting in such elections.

(b) Provides the local governmental subdivision must assume any indebtedness of the special district as a condition of the merger.

(c) The present provision only provides for merger when the special district has a debt. Under the proposed section, a local governmental subdivision may merge into itself a special district which has no debt.

### Section 13. Local Officials

Section 13. The electors of each local governmental subdivision shall have the exclusive right to elect the members of their governing authority and, if a plan, or form of government or home rule charter so provides, their chief executive officer at elections held in accordance with the election laws of the state. Such officials shall not be subject to removal by the legislature. The salaries of these officials shall not be reduced during the terms for which they are elected.

Source: La. Const. Art. XIV, §40(b) (1921).

Comment: Retains source but broadens it to include parish officials.

### Section 14. Filling of Vacancies; Appointment

Section 14. (A) Vacancies occasioned by death, resignation, or otherwise, in the office of police juror, city council, parish or municipal governing authority, or special district thereof, mayor, and any other local official elected within the boundaries of the <sup>local governmental subdivision</sup> /political subdivision, shall be filled by <sup>local</sup> /political subdivision, unless otherwise provided by the home rule

13

charter or home rule plan of government of the affected local governmental subdivision /political subdivision. Vacancies in the membership of city or parish school boards shall be filled by appointment by the remaining members thereof. A tie <sup>local govern-</sup> vote by the governing authority of the /political subdivision or school board shall be broken by its presiding

officer regardless of the fact that he may already have voted as a member of the appointing body.

(B) If, at the time a vacancy occurs in an elective office for which appointment is provided in Paragraph A of this Section, the unexpired portion of the term of office is more than one year, a special election to fill the vacancy shall be called by the governing authority, and held without the necessity of a call by the governor, not more than six months nor less than three months, after first receipt of notice of the vacancy by the secretary of state, to be given as herein-<sup>local governmental subdivision</sup> after provided, in the /political subdivision or special district thereof in which the vacancy occurred, and in such case the appointment provided for in Paragraph A of this section shall be effective only until a successor is duly elected and qualified.

(C) Upon being informed of the occurrence of a vacancy in any of the offices specified in Paragraph A of this Section, the clerk or chief clerk of the district court in the parish where the vacancy occurred, and in the parish of Orleans the clerk or chief clerk of the Criminal District Court, shall, within twenty-four hours after being thus informed, notify the secretary of state in writing by registered or certified mail of the occurrence of the vacancy. Upon receipt of such notice, the secretary of state shall, within twenty-four hours after such receipt, notify in writing by registered or certified mail all election officials, including party committees and boards of supervisors

14

of elections, having any duty to perform in connection with a special election to fill such vacancy of the occurrence of the vacancy.

(D) Nothing in this Section shall be construed as changing the qualifications for the various offices involved and all appointments must be of persons who would otherwise be eligible to hold offices to which appointed.

(E) The provisions of this Section shall apply <sup>local governmental subdivision</sup> to all /political subdivisions unless otherwise provided by the home rule charter or the home rule plan of government of the affected <sup>local governmental subdivision</sup> /political subdivision.

(F) Vacancies occasioned by death, resignation or otherwise in the office of sheriff, assessor, clerk of a district court, or coroner shall be filled by appointment by the governing authority of the parish at the time and in the manner provided in paragraphs (B) and (C) of Section 14 of this Article.

(G) The provisions of this Section shall not apply

20 to the office of judge of any state court of record  
21 or district attorney.

16

22  
23 Source: La. Const. Art. VII, §69 (1921).

24  
25 Comment: (a) This provision authorizes the governing  
26 authority of the political subdivision wherein the  
27 vacancy occurs, rather than the governor, to fill  
28 vacancies. Deleted from the source provision are the  
29 elected offices of district judge and district attorney.

30 (b) Other provisions in this Section restate the  
31 source provision and make no change in the law.

32  
33 Section 15. Acquisition of Property

34 Section 15. Subject to such restrictions as the  
35 legislature may provide by general law, political

15

1 subdivisions may acquire property for any public pur-  
2 pose, including but not limited to acquisition by  
3 purchase, donation, expropriation, or exchange.

4  
5 Source: La. Const. Art. XIV, §14(b.1), (b.2), (d-1), (d-2),  
6 (d-4), (f), (f.1), (m), (m-1) (1921).

7  
8 Comment: The source provision authorizes certain enumerated  
9 political subdivisions to acquire property. The revised  
10 section authorizes all political subdivisions to acquire  
11 property, subject to restriction imposed by general law.

12  
13 Section 16. Servitudes of Way; Acquisition by Prescription

14 Section 16. The public, represented by the various  
15 political subdivisions, may acquire servitudes of way  
16 by prescription in the manner prescribed by law.

17  
18 Source: La. Const. Art. XIV, §16 (1921).

19  
20 Comment: Restates the source provision and extends its  
21 applicability to include municipalities as well as  
22 parishes.

23  
24 Section 17. Prescription Against State and Political  
25 Subdivisions

26 Section 17. Prescription shall not run against the  
27 state or any political subdivision or special district  
28 thereof in any civil matter, unless otherwise provided  
29 in this constitution or expressly by general law.

30  
31 Source: La. Const. Art. XIX, §16 (1921).

32  
33 Comment: Existing provision prohibits the running of pre-  
34 scription against the state, except as provided by the  
35 constitution or laws. Revised section broadens this to

1 include political subdivisions and special districts.

2  
3 Section 18. Zoning Local governmental subdivisions  
4 Section 18. /Political subdivisions may enact land  
5 use regulations and zoning ordinances and create and  
6 classify therein residential, commercial, industrial,  
7 and other districts, and may regulate the preservation  
8 of the character of buildings, monuments, structures,  
9 and buildings and areas of historical importance.  
10 Local governmental subdivisions  
11 /Political subdivisions may create airport zones and  
12 regulate the heights of buildings, structures, and  
13 objects of natural growth in areas surrounding airports.

14 Source: La. Const. Art. XIV, §29 (1921).

15  
16 Comment: The source provision grants zoning authority to  
17 municipalities generally, and to certain named parishes.  
18 The revision extends the general authorization to all  
19 political subdivisions.

20  
21 Section 19. Industrial Areas

22 Section 19. The legislature may authorize parishes  
23 to create industrial areas within their boundaries in  
24 accordance with such procedures and subject to such  
25 regulations as the legislature shall determine. Parish  
26 industrial areas shall not be subdivisions of the state.

27  
28 Source: La. Const. Art. XIV, §29.1 (1921).

29  
30 Comment: The above revised provision continues the legis-  
31 lative authority to permit the creation of industrial  
32 areas, but leaves all of the procedures and regulations  
33 to the discretion of the legislature.

17

34  
35 Section 20. Assistance to Local Industry by Political  
1 Subdivisions

2 Section 20. (A) Subject to such restrictions as  
3 it may impose, the legislature may authorize any poli-  
4 tical subdivision, in order (i) to induce and encourage  
5 the location of or addition to industrial enterprises  
6 therein, or (ii) to provide for the establishment and  
7 furnishing of industrial plants for the conversion or  
8 processing of raw farm or agricultural products, or  
9 (iii) to provide movable or immovable property, or  
10 both, for pollution control facilities: (1) to issue  
11

bonds and use the funds derived from the sale thereof to acquire and improve industrial plant sites and other property necessary to the purposes thereof; (2) to acquire, through purchase, construction, or otherwise, and to improve, industrial plant buildings and industrial plant equipment, machinery furnishing, and appurtenances; and (3) to sell, lease, or otherwise dispose of all or any part of the foregoing.

(B) It is hereby found and declared that the purposes designed to be accomplished herein are public and proper legal purposes and will be of public benefit to the political subdivision issuing the bonds.

Source: La. Const. Art. XIV, §§14(b.2), (b.3), 33 (1921).

Comment: (a) The source provision provides detailed procedures for the issuance of bonds by political subdivisions to induce, encourage, and aid the location of industry therein. Paragraph A of the revised section adopts the principle that the legislature may authorize such bonds, and the detailed procedures for the issuance of the bonds are omitted from the constitution and should be placed in the statutes.

(b) Continues present stipulation that such bonds

18

are for public and proper legal purposes.

#### Section 21. Creation of Special Districts; Authority

Section 21. The power of the legislature by general or special law to create or authorize the creation of special districts, boards, agencies, commissions, and authorities of every type, ~~useful in carrying on the duties and functions of political subdivisions and,~~ subject to the limitations imposed in this constitution, to grant the special districts, boards, agencies, commissions, and authorities so created such rights, powers, and authorities as it deems proper, including, but not limited to, the power of taxation, the power to incur debt and issue bonds, and the power to reclaim property from the beds of lakes and streams, is hereby confirmed.

Source: New

Comment: (1) It is the purpose of this Section, not only to clearly vest plenary authority in the legislature to create or authorize the creation of special districts and authorities of every type and define their powers, but this Section is also to negate any argument that further constitutional authority is necessary for the legislature to exercise this function. The legislature

will, however, be subject to limitations otherwise provided by the constitution, such as tax exemptions and debt limitations.

(2) The effect of the above section is to remove from the constitution the following: (1) ports, harbors and terminal districts (§§30.1 and 31); (2) Lake Charles Harbor and Terminal District (§30.2); (3) navigation and river improvement districts (§§30.3 and 30.4); (4) Red River Waterway (§30.5); (5) garbage district (§34); (6) Fourth Jefferson Drainage District

19

(§35); (7) Jefferson Parish community center and playground districts (§36); (8) Jefferson Parish subsewerage districts (§37.1); (9) Jefferson Parish public improvement districts (§38); (10) Calcasieu community center and playground districts (§39.1); (11) Jefferson Parish drainage districts (§43); (12) Sabine River Authority (§45); and (13) Louisiana Stadium and Exposition District (§47). The foregoing list is not exclusive. (References are to present sections.)

(3) It is the purpose of the revised section to continue by legislative acts the special districts, boards, agencies, commissions, and authorities provided for in the present Article XIV. Legislation should be submitted to place them in the revised statutes.

(4) It is further recognized, however, that certain existing agencies by reason of their importance, scope, or peculiar circumstances have or should have special treatment in the constitution, such as the Civil Service Commission.

#### Section 22. Recall

Section 22. The legislature shall by general law provide for the recall of state, district, parish, municipal, or ward officers, except judges of the courts of record, and except wherein otherwise provided by this constitution. The sole issue to be voted on at any recall election shall be whether such officers shall be recalled.

Source: La. Const. Art. IX, §9 (1921).

Comment: This Section is taken from the source provision, and makes no changes in the law.

20

#### Section 23. Classification

Section 23. Except as provided in this constitution,

3 the legislature may classify parishes or municipalities  
4 according to population or on any other reasonable basis  
5 related to the purpose of this classification, and legis-  
6 lation may be limited in its effect to any of such class  
7 or classes; but, no statute which is applicable to  
8 fewer than six parishes or municipalities shall become  
9 operative in any such parish or municipality until  
10 approved by ordinance enacted by the governing authority  
11 of the parish or municipality.

12  
13 Source: La. Const. Art. XIV, §22 (1921).

14  
15 Comment: Under the source provision, legislation appli-  
16 cable to fewer than the five largest cities of the state  
17 shall not become operative in the city of New Orleans  
18 until approved by a majority of the qualified electors  
19 of the city of New Orleans voting at an election. The  
20 revision deals with laws which classify either parishes  
21 or municipalities and provides that if a law is appli-  
22 cable to fewer than six parishes or municipalities, the  
23 law becomes operative in the parish or municipality to  
24 which it applies only if approved by the voters of that  
25 parish or municipality. Thus, the law becomes operative  
26 in a municipality or parish where it is approved, even  
27 if it does not become operative in others because the  
28 voters disapprove or no election is held. The exception  
29 deals with municipal taxation; under that section the  
30 legislature is authorized to make exceptions for indivi-  
31 dual municipalities from general laws pertaining to  
32 taxation.

21

1 Section 24. Uniform Procedure for Calling, Conducting,  
2 and Canvassing the Returns of Certain Special  
3 Elections

4 Section 24. When any election is required to be  
5 held in any political subdivision pursuant to the pro-  
6 visions of this constitution which requires submission  
7 to the electors of any proposition or question, such  
8 as the change of parish lines, change of location of  
9 parish seat, levying of taxes, issuance of bonds or  
10 incurring of other debt obligations, the assumption of  
11 debt, referendum, recall, or the adoption of a home  
12 rule charter, the election shall be called, conducted,  
13 and the returns thereof canvassed, in accordance with  
14 the law pertaining to elections for incurring bonded  
15 indebtedness and special taxes relative to local fi-  
16 nance, as the same now exists or may hereafter be  
17 amended, or as may be otherwise provided by the  
18 legislature.

19  
20 Source: New  
21

22 Comment: Provides that applicable procedures set forth  
23 in the statutes shall be followed when holding special  
24 elections.  
25

26 Section 25. Supremacy of Constitution

27 Section 25. The provisions of this constitution  
28 shall be paramount and neither the legislature, nor  
29 any political subdivision, shall enact any laws or ordi-  
30 nances in conflict therewith.

31  
32 Source: New  
33

34 Comment: Provides for supremacy of the constitution over  
35 law and ordinance enacted by the legislature and by

1 the legislature and political subdivisions.  
2

3 Section 26. Intergovernmental Cooperation

4 Section 26. Any political subdivision may exer-  
5 cise and perform any of its authorized powers and  
6 functions, including the financing, jointly or in  
7 cooperation with one or more political subdivisions,  
8 either within or without the state, except as the legis-  
9 lature shall provide otherwise by law.

10  
11 Source: New. See, however, South Dakota Const. Art. IX,  
12 §3 (1889).  
13

14 Comment: Provides for intergovernmental cooperation be-  
15 tween parishes and municipalities and between these  
16 political subdivisions and the state and federal  
17 government.  
18

19 Section 27. Terms Defined

20 Section 27. As used in this constitution:

- 21 (1) "Local governmental subdivision" means any  
22 parish or municipality;  
23 (2) "Municipality" means all incorporated cities,  
24 towns, and villages;  
25 (3) "Political subdivision" means parishes and  
26 municipalities, and any other unit of local govern-  
27 ment authorized by law to perform governmental functions;  
28 (4) "Governing authority" means the body which  
29 exercises the legislative functions of the political  
30 subdivision;  
31 (5) "General law" as used in this Article refers  
32 to a law of statewide concern, which is uniformly appli-  
33 cable to every political subdivision in the entire  
34 state or which is uniformly applicable to all political  
35 subdivisions within the same class as established in

accordance with the classification provisions of Section 23 of this Article;

(6) "Special law" means any law other than a general law.

Source: New

Comment: Provides definitions for various terms used in this Article.

Constitutional Convention of Louisiana of 1973

DELEGATE PROPOSAL NUMBER

Introduced by Delegate Ethan J. Chatelain

A PROPOSAL

Section 8. Home Rule Charter

Section 8. (A) Any local governmental subdivision may draft, adopt, or amend a charter of government to be known as a home rule charter in accordance with the provisions of this section. The governing authority of any such local governmental subdivision may appoint a commission to prepare and propose a charter, or may call an election for the purpose of electing such a commission.

(B) The governing authority of any such local governmental subdivision shall call an election to elect a commission to prepare and propose a charter or alternate charter when presented with a petition signed by not less than fifteen percent of the electors who live within the boundaries of the affected subdivision, as certified by the registrar of voters.

(C) A home rule charter shall be adopted when approved by a majority of the electors voting on the charter proposal at an election called for that purpose.

(D) Two or more local governmental subdivisions situated within the boundaries of one parish may avail themselves of the provisions of this section, provided that a majority of the electors who vote in each local governmental subdivision, in an election held for that purpose, vote in favor thereof. The legislature shall provide for the method of appointment or election of a commission to prepare and propose such a charter, provided, however, that at least one member of the commission shall be elected or appointed from each such local governmental subdivision. The legislature shall provide the method by which the electors of more than one local governmental subdivision within the boundaries of one parish may petition for an election for such purpose.

(E) A home rule charter, or any amendment thereto, adopted pursuant to the provisions of this section, shall

provide for the structure, organization, powers and functions for the government of the local governmental subdivision, which may include the exercise and performance of any power and function necessary, requisite, or proper for the management of its affairs, not denied by general law or this constitution; provided, however, the legislature shall not pass any law the effect of which changes, modifies, or affects the structure, organization and/or the particular distribution and redistribution of the powers and functions of any local governmental subdivision which operates under a home rule charter.

Source: La. Const. Art. XIV, §40 (1921).

CC-327

Constitutional Convention of Louisiana of 1973

SUBCOMMITTEE PROPOSAL NUMBER

Introduced by Delegate Ethan J. Chatelain

A PROPOSAL

To provide for an arbitration board in each municipality of the state.

PROPOSED SECTION:

Article \_\_\_\_, Section \_\_\_\_. Arbitration Boards; Municipalities

Section \_\_\_\_. (A) There shall be convened in each municipality a board of arbitration which shall arbitrate disputes concerning wages or working conditions affecting municipal employees. The board of arbitration may be convened by either the municipal employees or the governing authority of the municipality.

(B) The board of arbitration shall consist of seven members; two chosen by municipal employees, two chosen by the governing authority of the municipality and three chosen by the hereinabove mentioned four members. All members shall be electors of the municipality.

(C) All decisions of said board shall be final and binding on all parties to the dispute.

Source: New

Comment: Provides for a board of arbitration that will render final and binding decisions concerning labor disputes between municipal employees and the governing authority of the municipality.

1 Constitutional Convention of Louisiana of 1973  
2 SUBCOMMITTEE PROPOSAL NUMBER  
3 Introduced by Delegate George Dewey Hayes  
4                                   A PROPOSAL  
5 To provide that additional cities, towns, or villages  
6     may be incorporated in home rule parishes.  
7 PROPOSED SECTION:  
8     Article \_\_\_\_, Section \_\_\_\_\_. Home Rule Parish; Incorpor-  
9                                   ation of Cities, Towns, and Villages  
10            Section \_\_\_\_\_. When two-thirds of the electors of  
11     an unincorporated settlement in any parish operating  
12     under a home rule charter or a home rule plan of

13     government sign and present to the governor a petition  
14     and meet other necessary requirements as set forth under  
15     the general laws providing for the incorporation of  
16     cities, towns, and villages, such cities, towns, and  
17     villages may be incorporated.  
18  
19     Source: New  
20  
21     Comment: LSA-R.S. 33:32, 33:33, 33:51, and 33:52 set  
22     forth the requirements that must be met before incor-  
23     poration is possible. This gives constitutional  
24     sanction to the incorporation of settlement in  
25     parishes operating under a charter or home rule plan  
26     of government.

# B. Special Districts: Sewerage, Water, Levee and Other Related Districts

CC-1181

1 Constitutional Convention of Louisiana of 1973  
2 COMMITTEE PROPOSAL NUMBER  
3 Introduced by Delegate Perez, on behalf of the Committee on  
4 Local and Parochial Government, and Delegates: Burson,  
5 Cannon, Chatelain, Conino, D'Gerolamo, Fowler,  
6 Giarrusso, Hayes, Heine, J. Jackson, Kean, Lanier,  
7 Reeves, Shannon, Stephenson, Taylor, Toomy, Ullo,  
8 and Zervigon

## A PROPOSAL

12 Making general provisions for levee districts and necessary  
13 provisions with respect thereto.

14 Be it adopted by the Constitutional Convention of Louisiana  
15 of 1973:

### ARTICLE XII. LEVEE DISTRICTS

#### Section 1. Levee Districts

19 Section 1. (A) Levee districts as now organized and  
20 constituted shall continue to exist, except that:

21 (1) The legislature may provide for the consolidation,  
22 division, or reorganization of existing levee districts or  
23 create new levee districts; however, the members of the  
24 boards of commissioners of such districts shall be appointed  
25 or elected from residents of such district;

26 (2) Any levee district whose flood control responsi-  
27 bilities are limited to and which is situated entirely within  
28 the boundaries of one parish may be merged and consolidated  
29 into such parish under the terms and conditions and in the  
30 manner provided in Section 18 of Article \_\_\_\_\_. This provision  
31 shall be self-operative.

32 (B) No action taken hereunder shall impair the obligation  
33 of any outstanding bonded indebtedness or of any other contract  
34 of such levee district.

CC-1181

1 Section 2. District Taxes; Orleans Levee District  
2 Tax and Refunding Bonds; Increase in Tax to Raise  
3 Additional Funds  
4 Section 2. (A) For the purpose of constructing and  
5 maintaining levees, levee drainage, flood protection, hur-  
6 ricane flood protection, and for all other purposes incidental  
7 thereto, the governing authority of each district, may levy  
8 annually a tax not to exceed five mills on the dollar, except  
9 the Board of Levee Commissioners of the Orleans Levee District,  
10 which may levy annually a tax not to exceed two and one-half  
11 mills on the dollar, on all taxable property situated within

12 the alluvial portions of said district subject to overflow.

13 (B) Should the necessity to raise additional funds arise  
14 in any levee district for any of the purposes herein set forth,  
15 or for any other purpose related to its authorized powers and  
16 functions which may be specified by the legislature, the tax  
17 herein authorized may be increased; however, before taking  
18 effect, the necessity for the increase and the rate thereof  
19 shall be submitted to the electors of such district and no  
20 increase in taxes shall occur unless a majority of the electors  
21 in such district who vote in the election hereinabove pro-  
22 vided for vote in favor thereof.

#### Section 3. Bond Issues

24 Section 3. (A) Subject to the approval of the State Bond  
25 Commission or any successor thereto, the governing body of any  
26 levee district may fund the avails of said taxes or other reve-  
27 nues into bonds, or other evidences of indebtedness, the pro-  
28 ceeds thereof to be used for the purposes mentioned in this  
29 Article or for the funding or payment of any outstanding in-  
30 debtedness.

31 (B) Bonds issued under the authority of the foregoing  
32 provision shall be sold in accordance with applicable provi-  
33 sions of the Louisiana Revised Statutes relating to the issu-  
34 ance of bonds by levee districts.

Page 2

CC-1181

#### Section 4. Interstate Districts

2 Section 4. The legislature, with the concurrence of an  
3 adjoining state, may create levee districts composed of terri-  
4 tory partly in each state, and may authorize the construction  
5 and maintenance of levees wholly within another state.

#### Section 5. Cooperation with Federal Government

7 Section 5. All governing authorities of levee districts  
8 which have been, or may be created, are authorized to cooperate  
9 with the federal government in the construction and maintenance  
10 of the levees in this state, on such terms and conditions as may  
11 be provided by the federal authorities and accepted by the  
12 levee districts.

#### Section 6. Compensation for Property Used or Destroyed; Tax

15 Section 6. (A) Lands and improvements thereon hereafter  
16 actually used or destroyed for levees or levee drainage pur-  
17 poses shall be paid for at a price not to exceed the assessed  
18 value for the preceding year; provided, if property used or  
19 destroyed for levees or levee drainage purposes from a land-  
20 owner shall exceed more than one-third the value of that  
21 landowner's property and improvements, the land and improve-  
22 ments thereon used or destroyed for such purposes shall be

23 paid for at fair market value; and provided further, nothing  
24 contained in this Paragraph with respect to compensa on for  
25 lands and improvements shall apply to batture or to property  
26 the control of which is vested in the state or any political  
27 subdivision thereof for the purpose of commerce.

28 (B) If the district has no other funds or resources out  
29 of which such payment can be made, it shall levy, on all  
30 taxable property situated within the district, a tax suf-  
31 ficient to pay for said property so used or destroyed to  
32 be used solely in the district where collected.

33 (C) Nothing contained in this Section shall prevent  
34 the appropriation of said property before payment.

Page 3

LEVEE DISTRICT PROVISIONS NOT ADOPTED  
BY COMMITTEE ON LOCAL AND PAROCHIAL GOVERNMENT  
ON JUNE 16, 1973

1 PROPOSED SECTIONS:

2 Section 3. Bond Issues

3 Section 3. (A) Subject to the approval of the  
4 State Bond Commission or any successor thereto, the  
5 governing body of any levee district may fund the avails  
6 of said taxes or other revenues into bonds, or other  
7 evidences of indebtedness, the proceeds thereof to be  
8 used for the purposes mentioned in this Article or  
9 for the funding or payment of any outstanding indebted-  
10 ness.

11 (B) Bonds issued under the authority of the fore-  
12 going provision shall be sold at not less than par and  
13 accrued interest.

14 Action delayed pending Finance Subcommittee consideration  
15 of bond provisions.

17 Source: La. Const. Art. XVI, §3 (1921).

19 Comment: The source provision requires the legislature to  
20 authorize the funding of bonds.

21 Paragraph (A) of this proposed provision allows  
22 the governing body of a levee district to fund bonds  
23 with the approval of the State Bond Commission or any  
24 successor thereto.

26 Section 6. Compensation for Property Used or Destroyed;  
27 Tax

28 Section 6. (A) Lands and improvements thereon  
29 hereafter actually used or destroyed for levees or  
30 levee drainage purposes shall be paid for at a price  
31 not to exceed the assessed value for the preceding year;  
32 provided, that this shall not apply to batture, not  
33 to property the control of which is vested in the state  
34 or any subdivision thereof for the purpose of commerce;  
35 and provided, further, that if property used or destroyed

-2-

1 for levees or levee drainage purposes from a landowner  
2 shall exceed more than one-third the value of that  
3 landowner's property and improvements, the land and  
4 improvements thereon used or destroyed for such purposes  
5 shall be paid for at fair market value.

6 (B) If the district has no other funds or resources  
7 out of which such payment can be made, it may levy, on  
8 all taxable property situated therein, an ad valorem tax  
9 sufficient to pay for said property so used or destroyed  
10 to be used solely in the district where collected. This  
11 shall not prevent the appropriation of said property  
12 before payment.

13 Referred back to Subcommittee on Special Districts; Sewerage,  
14 Water, Levee, and Other.

16 Source: La. Const. Art. XVI, §6 (1921).

18 Comment: Paragraph (A) repeats the source provision with  
19 two exceptions: 1) it deletes provisions relative to  
20 acquisition of property in and replacement of streets  
21 in municipalities of one hundred thousand population;  
22 2) it adds a provision requiring the reimbursement, at  
23 full market value, of a landowner when the property and  
24 improvements used or destroyed by a levee district  
25 exceeds one-third the value of that landowner's pro-  
26 perty and improvements.

27 Paragraph (B) deletes provisions relative to the  
28 relocation and restoration of streets and highways in  
29 municipalities of one hundred thousand population.

# C. Special Districts: Transportation, Ports and Harbors

CC-

1 Constitutional Convention of Louisiana of 1973  
2 DELEGATE PROPOSAL NUMBER  
3 Introduced by Delegate Cannon  
4 AN AMENDMENT  
5 Louisiana Deep Water Ports; Definition of Deep Water Ports;  
6 Established Deep Water Ports; Powers and Authorities;  
7 Organization; Board of Commissioners, Port of New  
8 Orleans; Territorial Limits

9 PROPOSED SECTIONS:

10 Article \_\_\_\_, Section \_\_\_\_. Louisiana Deep Water Ports;  
11 Creation; Powers and Authorities; Improvements by  
12 Riparian Owners Within Limits of Deep Water Ports  
13 Section \_\_\_\_\_. The legislature of the State of  
14 Louisiana is further empowered to create by law Louisiana  
15 deep water ports, situated on navigable waterways having  
16 a depth of not less than twenty-five feet and capable  
17 of serving deep draft-international waterborne trans-  
18 portation; to fix their territorial limits; to provide  
19 for their organization and government; to define the  
20 duties, powers, and jurisdiction of their governing  
21 authorities; and to delegate to them such general and  
22 special powers as are conferred by this constitution  
23 on Louisiana deep water ports; provided that in so  
24 creating such deep water port authorities, the legislature  
25 shall not encroach upon or in any way restrict or dimi-  
26 nish the respective territorial limits, or powers and  
27 functions, authorities, structures or organization, of  
28 the established deep water ports, as set forth in this  
29 constitution except by a two-thirds vote of the legis-  
30 lature.

CC-

1 Constitutional Convention of Louisiana of 1973  
2 DELEGATE PROPOSAL NUMBER  
3 Introduced by Delegate Cannon  
4 AN AMENDMENT  
5 Louisiana Deep Water Ports; Definition of Deep Water Ports;  
6 Established Deep Water Ports; Powers and Authorities;  
7 Organization; Board of Commissioners, Port of New  
8 Orleans; Territorial Limits

9 PROPOSED SECTIONS:

10 Section \_\_\_\_\_. Definitions

11 Section \_\_\_\_\_. "Deep water" as used regarding port  
12 commissions and port, harbor and terminal districts,  
13 means those ports which are capable of accommodating  
14 vessels of twenty-five feet of draft and engaged in  
15 foreign commerce.

CC-

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Cannon

4 AN AMENDMENT

5 Louisiana Deep Water Ports; Definition of Deep Water Ports;  
6 Established Deep Water Ports; Powers and Authorities;  
7 Organization; Board of Commissioners, Port of New  
8 Orleans; Territorial Limits

9 PROPOSED SECTIONS:

10 Section \_\_\_\_\_. Louisiana Deep Water Ports; Ratification,  
11 Confirmation  
12 Section \_\_\_\_\_. The Board of Commissioners of the Port  
13 of New Orleans, the Great Baton Rouge Port Commission,  
14 the South Louisiana Port Commission, the Lake Charles  
15 Harbor and Terminal District, and the Plaquemines Parish  
16 Port Authority are hereby ratified and confirmed, as  
17 Louisiana deep water ports with all powers, authorities,  
18 and privileges defined by the Constitution of 1921 ex-  
19 cept as hereinafter provided in this constitution.

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Cannon

4

5 AN AMENDMENT

6

7 Louisiana Deep Water Ports; Definition of Deep Water Ports;  
8 Established Deep Water Ports; Powers and Authorities;  
9 Organization; Board of Commissioners, Port of New Orleans;  
10 Territorial Limits

11

12 Section \_\_\_\_\_. General Powers and Authorities

13 Section \_\_\_\_\_. The governing authorities of deep water ports  
14 shall have the authority to do all things necessary to promote  
15 and regulate the commerce and traffic of said ports as in their  
16 judgment shall be in the best interest of said ports; and shall  
17 have the full power to provide and administer all facilities  
18 which are necessary to the above purposes, including but not  
19 limited to, the building, maintenance, and operation of public

20 wharves, terminal rail facilities, and other facilities which  
21 are port-connected. Said port authorities shall have full  
22 power to acquire by purchase, exchange, lease, expropriation,  
23 or otherwise, any property deemed necessary by said authorities  
24 for the commerce or other public purposes of aid ports subject  
25 to territorial limitations and title to all such properties,  
26 movable and immovable, presently held or to be acquired by  
27 said authorities, shall be vested in the State of Louisiana.  
28 Said authorities shall have full powers to lease, sell, exchange,  
29 or otherwise dispose of any such properties, including, without  
30 limitation, any wharves, buildings, improvements, structures,  
31 or facilities of any nature whatsoever subject to general law  
32 of the state.

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1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Cannon

4

5 AN AMENDMENT

6

7 Louisiana Deep Water Ports; Definition of Deep Water Ports;

8 Established Deep Water Port; Powers and Authorities;

9 Organization; Board of Commissioners, Port of New Orleans;

10 Territorial Limits

11

12 Section \_\_\_\_ . Louisiana Deep Water Ports Constituted as

13 Industrial Districts; Acquisition of Industrial

14 Development Sites; Construction of Industrial Plants;

15 Leasing

16 Section \_\_\_\_ . Without in any way limiting any other powers

17 of said authorities, Louisiana deep water ports shall be em-

18 powered and have the right to acquire industrial development

19 sites and to construct industrial plants and buildings with

20 necessary manufacturing and processing machinery and equipment,

21 and to lease such sites, plants, buildings, machinery, and

22 equipment for use and operation by private enterprise to

23 provide additional sources of revenue to said authorities and

24 to encourage industrial development within their respective

25 areas.

CC-

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Cannon

4

5 AN AMENDMENT

6

7 Louisiana Deep Water Ports; Definition of Deep Water Ports;

8 Established Deep Water Ports; Powers and Authorities;

9 Organization; Board of Commissioners, Port of New Orleans;

10 Territorial Limits

11

12 Section \_\_\_\_ . Managerial Powers

13 Section \_\_\_\_ . Said governing authorities of deep water

14 ports shall have the sole power of organization and of control

15 of all their departments, pursuant to their authorities powers

16 and functions subject, however, to civil service requirements

17 as established by state law. These powers shall include, but

18 not be restricted to the accounting methods, business procedures

19 fiscal affairs, and revenues of said authorities, and each of

20 said authorities shall be the sole judge of the investments

21 of its funds. These powers shall not require any further

22 enabling legislation.

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1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Cannon

4

5 AN AMENDMENT

6

7 Louisiana Deep Water Ports; Definition of Deep Water Ports;

8 Established Deep Water Port; Powers and Authorities;

9 Organization; Board of Commissioners, Port of New Orleans;

10 Territorial Limits

11

12 Section \_\_\_\_ . Improvements by Riparian Owners Within

13 Limits of Deep Water Ports; Expropriation; Just

14 Compensation

15 Section \_\_\_\_ . Riparian owners of property on navigable

16 rivers or streams within the limits of the deep water ports

17 as hereinabove defined shall have the right to erect and

18 maintain on the batture or banks owned by them, such wharves,

19 buildings, or improvements, as may be required for the purposes

20 of commerce, navigation, or other public purposes; provided,

21 however, that where such owners have first obtained the con-

22 sent of the governing authority of such deep water port to

23 erect such wharves, buildings, or improvements, and same

24 are erected in conformity to plans and specifications that

25 have been approved by such governing authority, such owners

26 shall be entitled to claim just compensation for, and the

27 said governing authority may expropriate said wharves, buildings,

28 or improvements whenever said improvements or the riparian

29 front shall be required for public purposes, but where such

30 consent and approval is not obtained no compensation shall be

31 allowed. In all cases such wharves, buildings, or improvements

32 shall remain subject to the administration and control of

33 such governing authority with respect to their maintenance and

34 to the fees and charges to be exacted for their use by the public.

35 Nothing herein shall deprive the levee boards of their authority

CC-

1 with respect to levees in their respective districts or their

2 right to appropriate, without compensation, such wharves,

3 buildings, or improvements.

CC-

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Cannon

4 AN AMENDMENT

5 Louisiana Deep Water Ports; Definition of Deep Water Ports;

6 Established Deep Water Ports; Powers and Authorities;

7 Organization; Board of Commissioners, Port of New

8 Orleans; Territorial Limits

9 PROPOSED SECTION:

10 Section \_\_\_\_\_. Board of Commissioners, Port of New

11 Orleans; Territorial Limits; Number of Members,

12 Qualifications, Appointment, Vacancies

13 Section \_\_\_\_\_. The board shall exercise all such

14 powers and authority within the territorial limits of

15 the Port of New Orleans, which shall comprise the parish

16 of Orleans and that portion of the parish of Jefferson fronting

17 on the Mississippi River and that portion of the parish

18 of St. Bernard fronting on the Mississippi River from

19 the Orleans, St. Bernard parish districts to the Chalmette

20 slip, or concerned with deep draft-international water-

21 borne transportation.

22 The Board of Commissioners of the Port of New Orleans

23 shall consist of seven members, who shall serve without

24 compensation and who shall be experienced in commerce or

25 industry or both, two of whom shall be residents and

26 electors of the parish of Jefferson, two of whom shall

27 be residents and electors of the parish of Orleans,

28 one of whom shall be a resident and elector of the parish

29 of St. Bernard, one of whom shall be a resident and

30 elector of any parish in the State of Louisiana except

31 the parishes of Jefferson, Orleans, and St. Bernard,

32 one of whom shall be a resident and elector of the parish

33 having the largest population of these three parishes

34 and shall reside and have his principal place of business

35 on the West Side of the Mississippi River. In the event

1 St. Bernard would be the parish of greatest population

2 the member having to be from the West Side of the

3 Mississippi River would not apply.

4 Those members who must be residents and electors

5 of the parishes of Jefferson and St. Bernard shall be

6 appointed by the governor from a list of three names for

7 each appointment selected in a manner to be determined by

8 the governing authority of each such parish. Those

9 members who must be residents and electors of the

10 parish of Orleans shall be appointed by the governor

11 from a list of three names for each appointment sub-

12 mitted by the Chamber of Commerce of the New Orleans

13 Area, the New Orleans Board of Trade, the New Orleans

14 Clearing House Association, the New Orleans Steamship

15 Association, and the International House. The seventh

16 member shall be appointed directly by the governor.

17 Members serving on the effective date of this constitu-  
18 tion shall complete their respective terms of office,  
19 with their successors and the additional members to be  
20 chosen as provided hereinabove. At that time, two  
21 additional members are to be appointed from the parishes  
22 of Jefferson and St. Bernard, with the first member  
23 from the parish of Jefferson being appointed for a term  
24 of three years. The first vacancy arising by expiration  
25 of term of office shall be filled from the parish of  
26 Jefferson and the next such vacancy shall be filled by  
27 direct appointment of the governor.

28 Any vacancy in the membership of the board from  
29 the parishes of Jefferson or Orleans shall be filled  
30 by the governor of the state within fifteen days after  
31 receipt by him of the names of the nominees submitted  
32 to him by the organizations specified hereinabove in  
33 the following manner: the nominating organizations  
34 of each parish for which a vacancy might exist shall  
35 each choose two nominees having the necessary qualifica-

Page 2

1 tions for each vacancy occurring on said board, and  
2 shall submit the names of such nominees in writing to  
3 a committee consisting of the presidents or recognized  
4 executive heads of such nominating organizations of  
5 said parish, who shall select three nominees from among  
6 those names submitted to it by the nominating organi-  
7 zations and shall certify the names of the three nomi-  
8 nees selected to the governor of the state.

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1 Constitutional Convention of Louisiana of 1973

2 SUBCOMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 Lake Charles Harbor and Terminal District: ratification;

6 Board of Commissioners, membership; powers and

7 authority; bonds.

8 PROPOSED SECTIONS:

9 Article \_\_\_\_, Section \_\_\_\_\_. Ratification

10 Section \_\_\_\_\_. The 1924 Act creating the Lake

11 Charles Harbor and Terminal District shall be deemed

12 and held to be ratified and confirmed.

13 Section \_\_\_\_\_. Board of Commissioners; Membership

14 The Board of Commissioners of Lake Charles Harbor

15 and Terminal District shall be appointed by the

16 governor with the advice and consent of the Senate.

17 The board shall consist of five members who shall

18

19 be citizens of the United States and qualified  
20 voters and taxpayers, and inhabitants of said  
21 district during their terms of office. The com-  
22 missioners shall serve overlapping terms of six years  
23 each. The present members shall continue to serve  
24 on the board for the duration of their respective  
25 terms. Any vacancies in the membership of the board  
26 hereafter occurring by reason of expiration of the  
27 terms for which appointed, or by reason of death,  
28 resignation or otherwise shall be filled in the follow-  
29 ing manner:

30 (A) The first vacancy shall be filled from a  
31 list of three nominees submitted to the  
32 governor by the central office of the  
33 American Rice Growers Cooperative Association  
34 at Lake Charles, Louisiana.

35 (B) The next vacancy shall be filled from a list

(2)

1 of three nominees submitted to the governor  
2 by the Lake Charles and Vicinity Central  
3 Trades and Labor Council, AFL-CIO, as one  
4 organization.

5 (C) The next vacancy shall be filled from a  
6 list of three nominees submitted to the  
7 governor by the Lake Charles Maritime  
8 Association.

9 (D) The next vacancy shall be filled from a  
10 list of three nominees submitted to the  
11 governor by the Greater Lake Charles  
12 Chamber of Commerce, and the West Calcasieu  
13 Chamber of Commerce acting as one organization.

14 (E) The next vacancy shall be filled from a list  
15 of three nominees submitted to the governor  
16 by the state senators and representatives  
17 in the legislature representing the parish  
18 of Calcasieu.

19 (F) Any further vacancies shall be filled in  
20 the same order of rotation as shown herein  
21 above.

22 (G) If now, or hereafter, one or more of the five  
23 organizations or groups set forth above  
24 has no commissioner on the board, the governor,  
25 the board, and the five organizations shall  
26 proceed to rectify this failure of repre-  
27 sentation of one or more groups by diverting,  
28 in case of a vacancy, from the order of  
29 appointments named hereinabove and by  
30 receiving nominations instead from the unre-  
31 presented organizations or groups, and then  
32 thereafter, shall revert to the order of

33 nominations and appointments, as set forth  
34 in Subparagraphs (A) through (E) above.

35 )

1 (H) If any one or more of the organizations  
2 referred to in Subsection B hereof ceases  
3 to exist or to function without any legal  
4 successor, then the nominees to be submitted  
5 to the governor by such organization shall  
6 instead be submitted by the state senators  
7 and representatives representing the parish  
8 of Calcasieu.

9 (I) In the event that for any reason the governor  
10 fails to receive three nominees for a given  
11 vacancy, as provided herein above,  
12 within sixty days after the expiration of  
13 the term of any member of the board or the  
14 occurrence of a vacancy on the board from any  
15 other cause, the governor shall proceed  
16 forthwith to make an appointment to fill  
17 such vacancy. The organization failing to  
18 submit such nominees shall lose its turn  
19 in the rotation.

20 (J) Any commissioner may be removed by the gov-  
21 ernor, but only for cause and on charges  
22 preferred against him in writing and after  
23 public hearing and proof of the sufficiency  
24 of such charges; provided that any commissioner  
25 so removed shall have the right to test in  
26 the courts the sufficiency of the charges  
27 and of the evidence tendered in support  
28 thereof.

29 (K) The commissioners shall serve without compen-  
30 sation and shall have the power to organize  
31 and reorganize legal, executive, engineering,  
32 clerical, and other departments and forces of  
33 the said board and to fix the duties, powers,  
34 and compensation of all officers, agents and  
35 employees of said board.

(4)

1 Section \_\_\_\_ . Powers and Authority; Bonds  
2 The Legislature of the State of Louisiana is em-  
3 powered to fix the territorial limits of said  
4 district; to provide for their organization and  
5 government; to define the duties, powers and  
6 jurisdiction of its governing authority and to  
7 delegate to the Board of Commissioners the  
8 authority to regulate the commerce and traffic  
9 within the port area in such manner as may, in

10 its judgment, be for the best interest of the state;  
11 to acquire by right of eminent domain,  
12 purchase, lease, or otherwise, the land that may be  
13 necessary for the business of said district; to  
14 acquire by purchase, lease or otherwise, industrial  
15 plant sites and necessary property or appurtenances  
16 therefor and to acquire or construct industrial plant  
17 buildings with necessary machinery and equipment  
18 within said district; to borrow from any person or  
19 corporation using or renting any land or dock or  
20 warehouse or any facility of said district such sums  
21 as shall be necessary to improve the same according  
22 to plans and specifications approved by the governing  
23 authority, and to erect and construct such improvement,  
24 and agree that the loan therefor shall be liquidated  
25 by deducting from the rent, dock, wharf or toll charges  
26 payable for such property, a percentage thereof to  
27 be agreed on, subject, however, to any covenants or  
28 agreements made with the holders of revenue bonds issued  
29 under the authority hereinafter set forth; to collect  
30 tolls and fees; to borrow funds for the business of  
31 said district; to levy and collect taxes; to mortgage  
32 properties constructed or acquired by said district  
33 and to mortgage and pledge any lease or leases  
34 and the rents, income and other advantages arising  
35 out of any lease or leases granted, assigned

(5)

1 or subleased by the district; to incur debt and  
2 issue bonds for the needs of said district in the  
3 manner provided by the constitution and laws of the  
4 State of Louisiana; including, but not by way of  
5 limitation, Article XIV, Section 14, Paragraph (b.2)  
6 of the constitution. Any revenue producing wharf,  
7 dock, warehouse, elevator, industrial facility or  
8 other structure owned by or to be acquired by said  
9 district from the proceeds of bonds issued by  
10 them is hereby declared to be a revenue producing  
11 public utility as that term is used and defined by  
12 the constitution and law of the state in connection  
13 with the issuance of revenue bonds of political  
14 subdivisions of the state. Without reference to  
15 any other provisions of this constitution or of  
16 any laws enacted thereunder and as a grant of power  
17 in addition to any other authority to issue bonds,  
18 said board is authorized, with the approval of the  
19 State Bond and Tax Board, to issue negotiable bonds  
20 for any purpose within the authority delegated them,  
21 and to pledge for the payment of the principal and  
22 interest of such negotiable bonds the income and  
23 revenues derived or to be derived from the properties  
24 and facilities maintained and operated by it; or

25 received by the district from other sources. In  
26 addition to the pledge of income and revenues to  
27 secure said bonds, the district may further secure  
28 their payment by a conventional mortgage upon any  
29 or all of the properties constructed or acquired,  
30 or to be constructed and acquired by it. Such  
31 bonds shall be authorized by a resolution of the  
32 governing authority of the district and shall be of  
33 such series, bear such date or dates, mature at such  
34 time or times not exceeding forty years from their  
35 respective dates, bear interest at such rate or rates

(6)

1 not exceeding eight per centum per annum,  
2 payable semi-annually, be in such denominations,  
3 be in such form, either coupon or fully registered  
4 without coupons, carry such registration and  
5 exchangeability privilege, be payable in such  
6 medium of payment and at such place or places,  
7 be subject to such terms or redemption not ex-  
8 ceeding one hundred five per centum of the principal  
9 amount thereof, and be entitled to such priority  
10 on the revenues of the district as such resolution  
11 or resolutions may provide.

12  
13 Source: La. Const. Art. XIV, §§30.1, 30.2, and 31 (1921).

14  
15 Comment: The section dealing with the nominating  
16 organization being unrepresented is deleted from  
17 the source provision and is recommended to be  
18 placed in the statutes.

19 Language which details the powers and duties  
20 of said board is deleted and is recommended to  
21 be placed in the statutes.

22 Money, aid, or assistance acquired by said  
23 district is deleted and is recommended to be  
24 placed in the statutes.

25 Detail language concerning signing of the  
26 bonds, their advertisement, and right to contest  
27 the legality of the bond issue is deleted and is  
28 recommended to be placed in the statutes.

29 Interest rates of bonds issued by said board  
30 is changed from five per centum per annum to eight  
31 per centum per annum.

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1 Constitutional Convention of Louisiana of 1973  
2 DELEGATE PROPOSAL NUMBER  
3 Introduced by Delegate Perez  
4 A PROPOSAL  
5 Providing for Board of Commissioners of the Port of New

6 Orleans; qualifications, appointments, vacancies; powers  
7 and authority; territorial limits; construction of channels,  
8 locks; definition of deep water ports; ports.

9 PROPOSED SECTIONS:

10 Article \_\_\_\_\_, Section \_\_\_\_\_. Number of Members; Quali-  
11 fications; Appointments; Vacancies

12 Section 1. The Board of Commissioners of the Port of New  
13 Orleans shall consist of seven members, who shall serve  
14 without compensation and who shall be experienced in  
15 commerce or industry or both, two of whom shall be resi-  
16 dents and electors of the parish of Jefferson, two of whom  
17 shall be residents and electors of the parish of Orleans,  
18 one of whom shall be a resident and elector of the parish of  
19 St. Bernard, one of whom shall be a resident and elector of  
20 any parish in the State of Louisiana except the parishes of  
21 Jefferson, Orleans, and St. Bernard, one of whom shall be a  
22 resident and elector of the parish having the largest popu-  
23 lation of these three parishes and shall reside and have his  
24 principal place of business on the West Side of the  
25 Mississippi River. In the event St. Bernard would be the  
26 parish of greatest population the member having to be from  
27 the West Side of the Mississippi River would not apply. Those  
28 members who must be residents and electors of the parishes of  
29 Jefferson and St. Bernard shall be appointed by the governor  
30 from a list of three names for each appointment selected in a  
31 manner to be determined by the governing authority of each  
32 such parish. Those members who shall be residents and elec-  
33 tors of the parish of Orleans shall be appointed by the  
34 governor from a list of three names for each appointment sub-  
35 mitted by the Chamber of Commerce of the New Orleans Area, the

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1 New Orleans Board of Trade, the New Orleans Clearing  
2 House Association, the New Orleans Steamship Association,  
3 and International House. The seventh member shall be  
4 appointed directly by the governor. Members serving on  
5 the effective date of this constitution shall complete  
6 their respective terms of office, with their successors  
7 and the additional members to be chosen as provided herein-  
8 above. At that time, two additional members are to be  
9 appointed from the parishes of Jefferson and St. Bernard,  
10 with the first member from the parish of Jefferson being  
11 appointed for a term of three years. The first vacancy  
12 arising by expiration of term of office shall be filled  
13 from the parish of Jefferson and the next such vacancy  
14 shall be filled by direct appointment by the governor.

15 Any vacancy in the membership of the board from the  
16 parishes of Jefferson or Orleans shall be filled by the  
17 governor of the state within fifteen days after receipt  
18 by him of the names of the nominees submitted to him  
19 by the organizations specified hereinabove in the following  
20 manner: the nominating organizations of each parish for  
21 which a vacancy might exist shall each choose two nominees  
22 having the necessary qualifications for each vacancy  
23 occurring on said board, and shall submit the names of  
24 such nominees in writing to a committee consisting of the  
25 presidents or recognized executive heads of such nominating  
26 organizations of said parish, who shall select three nomi-  
27 nees from among those names submitted to it by the nominating  
28 organizations and shall certify the names of the three

29 nominees selected by the governor of the state.

30  
31  
32  
33  
34  
35

Section 2. Powers and Authority; Territorial Limits

The Board of Commissioners of the Port of New Orleans shall exercise its powers and authority within the territorial limits of the Port of New Orleans, which shall comprise the parish of Orleans, that portion of the parish

Page 2

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1 of Jefferson fronting on the Mississippi River and that  
2 portion of the parish of St. Bernard fronting on the  
3 Mississippi River, between the Orleans-St. Bernard Parish  
4 line and the Chalmette Slip.

Section 3. Construction of Channels, Locks, Other Permanent Structures Prohibited

No channels, locks, wharves, docks, or other permanent structures shall be sponsored, constructed, caused to be constructed, or permitted by/said board in the parishes of Jefferson or St. Bernard until and unless the governing authority of such parish in which the works are proposed, by ordinance, approves such action or proposed works.

Section 4. Ports

All deep water port commissions, and all deep water port, harbor and terminal districts as they are now organized and constituted shall continue to exist, except that:

1. The legislature may diminish, reduce, or withdraw from any such commission or district, including the Board of Commissioners of the Port of New Orleans, any of its powers and functions and may affect the structure, organization, distribution and redistribution of the powers and functions of any such commission or district, including its territorial jurisdiction, by act passed by at least a two-thirds vote of the elected membership of each house;
2. The legislature may by law grant additional powers and functions to any such district <sup>or</sup> ~~and~~ <sub>and</sub>;
3. The legislature may create new port commissions or port, harbor and terminal districts by law.

Section 5. Definitions

"Deep water" as used regarding port commissions and port, harbor and terminal districts, means those ports

Page 3

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1 which are capable of accommodating vessels of <sup>at least</sup> twenty-  
2 five feet of draft and engaged in foreign commerce.

4 Source: New

Page 4

1 Constitutional Convention of Louisiana of 1973

2 SUBCOMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For members of Board of Commissioners of the Port of New  
6 Orleans; Appointment; Qualifications; Term of Office;  
7 Organization of Board; Notice of, and Nominations to  
8 Fill, Vacancies; Political Affiliations Prohibited; Re-  
9 moval

10 PROPOSED SECTIONS:

11 Article \_\_\_\_, Section \_\_\_\_. Powers and Authority;  
12 Territorial Limits

13 Section \_\_\_\_\_. The Board of Commissioners of the Port  
14 of New Orleans shall have the authority to do all things  
15 necessary to promote and regulate the commerce and  
16 traffic of the port; and shall have the full power to pro-  
17 vide and administer all facilities which are necessary to  
18 the above purposes, including but not limited to, the  
19 building, maintenance, and operation of public wharves  
20 and other facilities which are port connected. The Board  
21 of Commissioners of the Port of New Orleans shall have  
22 full power to acquire by purchase, exchange, lease,  
23 expropriation, or otherwise, any property deemed necessary  
24 by said board for the commerce or other public purposes of  
25 the port and to lease, sell, exchange, or otherwise dis-  
26 pose of any such properties, including, without limitation,  
27 any wharves, buildings, improvements, structures, or  
28 facilities of any nature whatsoever. The board shall  
29 exercise all such powers and authority within the terri-  
30 torial limits of the Port of New Orleans, which shall com-  
31 prise the parish of Orleans and those portions of the  
32 parishes of Jefferson and St. Bernard fronting on the  
33 Mississippi River or concerned with deep draft-internation-  
34 al waterborne transportation.  
35

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1 Section \_\_\_\_. Number of Members; Qualifications;  
2 Appointment; Vacancies

3 Section \_\_\_\_\_. The Board of Commissioners of the Port  
4 of New Orleans shall consist of five members, who shall  
5 serve without compensation, and who shall be experienced  
6 in commerce or industry, or both. The categories of rep-  
7 resentation from the three parishes of Jefferson, Orleans,  
8 and St. Bernard, as set forth in the enumerated paragraphs  
9 below, shall hereafter be maintained at all times. The  
10 present members, five in number, shall continue to serve  
11 on said board for the duration of their respective terms,  
12 and any vacancies in the membership of the board hereafter  
13 occurring by reason of expiration of the terms for which

14 appointed, or by reason of death, resignation or otherwise,  
15 shall be filled by the governor of the state in the manner  
16 hereinafter provided. The first vacancy arising by expir-  
17 ation of term of office shall be filled from the parish  
18 of Jefferson. The next such vacancy shall be filled from  
19 the parish of St. Bernard. Qualified nominees to the  
20 governor for appointment of members to said board shall  
21 be chosen in the following manner:

22 (A) One member who resides and is a qualified voter in  
23 the parish of Jefferson shall be appointed by the gover-  
24 nor within fifteen days after receipt by him of three  
25 nominees submitted to him by the Jefferson Parish Indus-  
26 trial Development Commission. Said three nominees shall  
27 be selected by said commission from a panel of six  
28 qualified nominees, comprising three nominees selected  
29 by the West Bank Council of the Chamber of Commerce  
30 of the New Orleans Area and three nominees selected  
31 by the East Jefferson Council of the Chamber of Commerce  
32 of the New Orleans Area.

33 (B) One member who resides and is a qualified voter in  
34 the parish of St. Bernard shall be appointed by the gover-  
35 nor within fifteen days after receipt by him of three

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1 qualified nominees submitted to him by the St.  
2 Bernard Council of the Chamber of Commerce of the New  
3 Orleans Area.

4 (C) One member who resides and is a qualified voter  
5 in the parish of Orleans shall be appointed by the gov-  
6 ernor within fifteen days after receipt by him of three  
7 nominees submitted to him by a nominating council,  
8 comprised of the presidents or recognized heads of  
9 the nominating organizations hereinafter named. Said  
10 nominating council shall select three nominees from  
11 among a panel of names submitted to it by the following  
12 nominating organizations, which shall each select two  
13 qualified nominees:

- 14 (1) Chamber of Commerce of the New Orleans Area
- 15 (2) New Orleans Board of Trade, Ltd.
- 16 (3) New Orleans Steamship Association
- 17 (4) International House

18 (D) Two members who reside and are qualified voters in  
19 the parishes of Jefferson, Orleans, or St. Bernard shall  
20 be appointed by the governor within fifteen days  
21 after receipt by him of three nominees submitted to  
22 him by a nominating council, comprised of the presidents  
23 or recognized executive heads of the nominating organiza-  
24 tions hereinafter named. Said nominating council shall  
25 select three nominees from among a panel of names  
26 submitted to it by the following nominating organizations,  
27 which shall each select two qualified nominees:

- 28 (1) Chamber of Commerce of the New Orleans Area

- 29 (2) New Orleans Board of Trade, Ltd.  
 30 (3) St. Bernard Council of the Chamber of Commerce of  
 31 the New Orleans Area  
 32 (4) West Bank Council of the Chamber of Commerce of the  
 33 New Orleans Area  
 34 (5) East Jefferson Council of the Chamber of Commerce  
 35 of the New Orleans Area

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- 1 (6) Jefferson Parish Industrial Development Commission  
 2 (7) New Orleans Steamship Association  
 3 (8) International House  
 4 (E) There shall be no more than two members of the  
 5 said board who reside in and are qualified voters from any  
 6 one of the parishes of Orleans, Jefferson, and St. Bernard.

7  
 8 Section \_\_\_\_\_. Dissolution of Nominating Organizations;  
 9 Effect

10 Section \_\_\_\_\_. If any one or more of the nominating  
 11 organizations referred to above shall cease to exist or  
 12 to function, without any legal successor, then nominees  
 13 shall nevertheless be submitted by such of said organi-  
 14 zations as shall continue to exist and function.

15  
 16 Section \_\_\_\_\_. Delayed Certification; Appointment

17 Section \_\_\_\_\_. In the event that, for any reason, the  
 18 appropriate body shall fail to certify to the governor  
 19 the three nominees, as provided above, within one hundred  
 20 and twenty days after the expiration of the term of  
 21 any member of the board, or the occurrence of a vacancy  
 22 on the board from any other cause, the governor shall  
 23 have the right and it shall be his duty to proceed forth-  
 24 with to make an appointment to fill such vacancy.

25  
 26 Section \_\_\_\_\_. Term of Appointment; Filling Unexpired Term;  
 27 Reappointment

28 Section \_\_\_\_\_. Any succeeding member appointed to fill  
 29 the term of a member leaving the board, before the expira-  
 30 tion of the term to which he shall have been appointed,  
 31 shall be appointed to fill the unexpired term of such  
 32 retiring or deceased member. All members appointed to the  
 33 board shall be appointed for a term of five years. No  
 34 member of said board shall be eligible to succeed himself  
 35 unless the unexpired term to which he had been appointed

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1 to fill had less than two years to run.

2  
 3 Section \_\_\_\_\_. Service Until Successor Qualified

4 Section \_\_\_\_\_. Members shall continue to serve until

5 their successors have been appointed and duly qualified.

6  
 7 Section \_\_\_\_\_. Incompatible Offices

8 Section \_\_\_\_\_. No member of said board shall hold any  
 9 office in any political party or other political organiza-  
 10 tion, nor shall he hold any public office or employment  
 11 for compensation, existing under or created by the laws  
 12 of the United States, the State of Louisiana, or any  
 13 municipality or subdivision thereof.

14  
 15 Section \_\_\_\_\_. Confirmation; Removal

16 Section \_\_\_\_\_. Any and all appointments of members of  
 17 the Board of Commissioners of the Port of New Orleans  
 18 shall be made by the governor as hereinabove provided and  
 19 without the advice or consent of the Senate, or confirma-  
 20 tion by the Senate. No member thus appointed shall be  
 21 removed except for cause on charges preferred against him  
 22 in writing by the attorney general of the state, and after  
 23 public hearing and proof of the sufficiency of said charges  
 24 to justify his removal, before a court of competent juris-  
 25 diction.

26  
 27 Section \_\_\_\_\_. Managerial Powers

28 Section \_\_\_\_\_. The Board of Commissioners of the Port  
 29 of New Orleans shall have the sole power of organization,  
 30 and of control of all departments, without exception, of  
 31 the said board, subject, however, to civil service require-  
 32 ments as established by state law. These powers shall in-  
 33 clude, but not be restricted to, the accounting methods,  
 34 business procedures, fiscal affairs, and revenues of the  
 35 said board. It shall be the sole judge of the investment

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1 of its funds. These powers shall not require any further  
 2 enabling legislation.

3  
 4 Section \_\_\_\_\_. Powers and Authority, Borrowing

5 Section \_\_\_\_\_. (A) General Obligation Notes and Bonds  
 6 The Board of Commissioners of the Port of New Orleans shall  
 7 have the power, without legislative enactment or authori-  
 8 zation, to borrow money and to issue notes and bonds for  
 9 any of its purposes and powers. Such borrowing shall be  
 10 made and such notes and bonds issued with the concurrence  
 11 of and in accordance with the procedures established by the  
 12 State Bond Commission, except as hereinafter provided in  
 13 subsection (B). The State Bond Commission shall, imme-  
 14 diately following the approval of this constitution,  
 15 notify the said board of its procedures.

16 All notes and bonds of the board issued pursuant to the  
 17 foregoing authorizations shall constitute and be general  
 18 obligations of the state, to the payment of which the full

19 faith and credit of the state shall be pledged by the  
20 board. All such bonds and notes, together with all bonds  
21 of the board outstanding at the time of adoption hereof,  
22 shall be payable from the Bond Security and Redemption  
23 Fund equally and rateably and on a parity with all general  
24 obligation bonds of the state issued under Article IV,  
25 Section 2 of the Constitution of 1921.

26 Nothing in this section shall be a limitation on the  
27 power of the legislature to authorize the issuance of  
28 bonds by the state for the purposes of the board, upon  
29 such terms and conditions as it deems proper.

30 (B) Limited Revenue Obligations. The board may borrow  
31 such sums as shall be necessary to construct or improve  
32 any port facility, provided that the loan therefor shall  
33 be secured by and liquidated only from a percentage to be  
34 agreed upon of the revenues collected for the use of such  
35 facility.

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1 The board may issue bonds in such principal amount as  
2 may be necessary for the purpose of constructing, acquir-  
3 ing, or remodeling any facility which is in the power of  
4 the board to provide. This authority shall depend upon  
5 the board having entered into a lease or other agreement,  
6 by which under its terms and conditions, the bonds issued  
7 will be retired.

8 Such obligations and/or bonds or notes shall not be  
9 supported by the full faith and credit of the state, but  
10 shall be payable solely from the revenues of the said  
11 facility.

12 The board may acquire movable and immovable property  
13 subject to mortgage or other liens and may agree to the  
14 retention of vendor's lien and privilege on the property  
15 acquired, provided that the obligees shall be limited  
16 solely to the proceeds derived from enforcement of the  
17 vendor's lien and privilege and not from the general  
18 revenues or other property of the board.

19 (C) Tax Exemption. The principal of and interest on  
20 and income from all obligations created by the board shall  
21 be exempt from all state, parish, municipal, or other tax-  
22 ation, except inheritance, transfer, or gift taxes. Gen-  
23 eral obligation bonds of the board shall have the same  
24 eligibility for deposit with the state or its officers  
25 or any of its political subdivisions or municipalities,  
26 as was granted by Article 321 of the Constitution of 1913  
27 to the bonds therein authorized.

28  
29 Source: La. Const. Art. VI, §§16, 16.1, 16.2, 16.3, 16.4, 16.6,  
30 17 (1921).

31  
32 Comment: The revision changes the method of selecting members

33 of the Board of Commissioners. The parishes of St. Bernard  
34 and Jefferson are guaranteed membership.

35 The provision concerning powers and authority; bor-

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1 rowing, is modernized in language while being substan-  
2 tively unaffected.

CC/RS-222

1 Constitutional Convention of Louisiana of 1973  
2 SUBCOMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For members of the Greater Baton Rouge Port Commission;  
6 qualifications; terms of members; vacancies; officers;  
7 meetings; quorum; action by vote; indebtedness; ad  
8 valorem tax; territorial limits; powers & authority

9 PROPOSED SECTIONS:

10 Article \_\_\_\_, Section \_\_\_\_. Territorial Limits; Powers  
11 and Authority

12 Section \_\_\_\_. The Greater Baton Rouge Port Commission  
13 shall exercise the powers herein conferred upon it within  
14 the port area consisting of the parishes of East Baton  
15 Rouge, West Baton Rouge, Iberville and Ascension as the  
16 boundaries and limits are presently fixed by law, except  
17 the industrial areas created in the parish of East  
18 Baton Rouge by the provisions of Section 1.08(b) of  
19 the Plan of Government for the Parish of East Baton Rouge  
20 and the City of Baton Rouge.

21 The Commission shall regulate the commerce and traffic  
22 within such port area in such manner as may, in its  
23 judgment, be for the best interest of the state. It  
24 shall have charge of and administer public wharves, docks,  
25 sheds, and landings and shall be empowered to construct  
26 or acquire and equip wharves and landings and other  
27 structures useful for the commerce of the port area and to  
28 provide mechanical facilities therefor; to erect sheds  
29 or other structures on such wharves and landings; to  
30 maintain proper depths of water at all such wharves and  
31 landings; to provide light, water, police protection, and  
32 other services for its facilities as it may deem advisable;  
33 to construct or acquire, maintain and operate basins, locks,  
34 canals, warehouses, and elevators; to charge for the use  
35 of all facilities administered by it and for all services

2

1 rendered by it, such fees, rates, tariffs, or other charges  
2 as it may establish; to establish harbor lines within the  
3 port area by agreement with the Corps of Engineers; and to  
4 construct, own, operate, and maintain terminal rail

5 facilities and other common carrier rail facilities  
6 for the purpose of rendering rail transportation to  
7 and from the facilities to be erected, owned, and  
8 operated by the commission in both intrastate and  
9 interstate commerce. The commission shall have authority  
10 to acquire by right of eminent domain, conventional  
11 purchase, lease, or otherwise such land and other  
12 immovable property as may be necessary to enable the  
13 commission to carry out its powers and purposes; such  
14 powers and purposes, without in any way limiting any  
15 other powers of the commission, but supplementary  
16 thereto, shall include the right to acquire industrial  
17 plant sites and to construct industrial plants and  
18 buildings with necessary manufacturing and processing  
19 machinery and equipment, and to lease such sites, plants,  
20 buildings, machinery, and equipment for use and operation  
21 by private enterprise to provide additional sources  
22 of revenue to the commission. The legislature may confer  
23 additional powers upon the commission, not inconsistent  
24 with the provisions hereof, provided, however, that it  
25 shall not impair any contract lawfully entered into by  
26 the commission. Title to all property and improvements  
27 thereon operated by the commission shall vest in the  
28 State of Louisiana.

30 Section \_\_\_\_\_. Membership

31 Section \_\_\_\_\_. The Greater Baton Rouge Port  
32 Commission shall be composed of ten members, who  
33 shall serve without compensation, appointed as follows:  
34 (A) Two commissioners appointed by the governor,  
35 one each from two separate panels of three names

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1 submitted by the police jury of the parish of West  
2 Baton Rouge;

3 (B) One commissioner appointed by the governor  
4 from a panel of three names submitted by the mayor and  
5 aldermen of the town of Port Allen;

6 (C) Two commissioners appointed by the governor,  
7 one each from two separate panels of three names  
8 submitted by the city council of the city of Baton Rouge;

9 (D) Two commissioners appointed by the governor,  
10 one each from two separate panels of three names submitted  
11 by the parish council of the parish of East Baton Rouge;

12 (E) One commissioner appointed by the governor  
13 from a panel of three names submitted by the police  
14 jury of the parish of Iberville;

15 (F) One commissioner appointed by the governor  
16 from a panel of three names submitted by the police  
17 jury of the parish of Ascension; and

18 (G) One commissioner appointed directly by the  
19 governor of the State of Louisiana.  
20

21 Section \_\_\_\_\_. Terms of Members

22 Section \_\_\_\_\_. The present members of the commission,  
23 ten in number, shall continue to serve on said commission  
24 for the duration of their respective terms, at the expira-  
25 tion of which their successors shall be appointed for a  
26 period of six years each by the governor in the same  
27 manner in which their predecessors were appointed.  
28

29 Section \_\_\_\_\_. Vacancies; Qualifications

30 Section \_\_\_\_\_. In the event any persons so appointed  
31 shall cease to be a member of the commission for any  
32 reason his successor shall be appointed by the governor  
33 in the same manner in which his predecessor was appointed,  
34 for the unexpired term of office. Each commissioner  
35 shall be a citizen of the United States and a qualified

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1 voter and taxpayer of the State of Louisiana.  
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3 Section \_\_\_\_\_. Officers; Meetings, Quorum; Action by  
4 Vote

5 Section \_\_\_\_\_. The commission shall elect from  
6 among its own members a president, a vice president,  
7 a secretary, and a treasurer, whose respective duties  
8 shall be prescribed by the commission. At the option  
9 of the commission the office of the secretary and  
10 treasurer may be held by one person. The commission  
11 shall meet in regular session once each month, and  
12 shall also meet in special session at the call of  
13 the president of the commission, or on the written  
14 request of three members of the commission. A  
15 majority of the members of the commission shall consti-  
16 tute a quorum and all action or resolutions of the  
17 commission must be approved by the affirmative vote  
18 of not less than a majority of all members of the  
19 commission. The commission shall prescribe rules to  
20 govern its meetings and shall fix the place at which  
21 meetings shall be held.  
22

23 Section \_\_\_\_\_. Indebtedness

24 Section \_\_\_\_\_. The commission, with the approval  
25 of the Board of Liquidation of the State Debt, is  
26 authorized to incur debt for its lawful purposes and  
27 to issue in its name, negotiable bonds or notes therefor,  
28 and to pledge, for the payment of the principal and  
29 interest of such negotiable bonds or notes, the revenues  
30 derived from the operation of properties and facilities  
31 maintained and operated by it, or received by the  
32 commission from other sources; provided, however, that  
33 the amount of such bonds and notes outstanding at any one  
34 time shall not exceed fifty million dollars. Such bonds,  
35 when authorized to be issued, shall constitute:

provide for their organization and government; to define the duties, powers and jurisdiction of their governing authorities; and to delegate to them such general and special powers as are conferred by this Constitution on Louisiana Deepwater Ports; provided that in so creating such deepwater port authorities, the Legislature shall not encroach upon or in any way restrict or diminish the respective territorial limits, or powers and authorities, of the three established deepwater ports, as set forth in this Constitution.

Section \_\_\_\_ General Powers and Authorities. The governing authorities of <sup>the following established</sup> deepwater ports shall have the authority to do all things necessary to promote and regulate the commerce and traffic of said <sup>ports as in their judgment shall be best for</sup> ports, and shall have the full power to provide and administer all facilities which are necessary to the above purposes, including but not limited to, the building, maintenance, and operation of public wharves, terminal rail facilities and other facilities which are port connected. Said port authorities shall have full power to acquire by purchase, exchange, lease, expropriation or otherwise, any property deemed necessary by said authorities for the commerce or other public purposes of

the growth and development of the commerce of their respective ports;

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said ports, and title to all such properties, movable and immovable, presently held or to be acquired by said authorities, shall be vested in the State of Louisiana. Said authorities shall have full powers to lease, sell, exchange, or otherwise dispose of any such properties, including, without limitation, any wharves, buildings, improvements, structures, or facilities of any nature whatsoever.

Section \_\_\_\_ Managerial Powers.

Said governing authorities of deepwater ports shall have the sole power of organization and of control of all their departments, without exception, subject, however, to Civil Service requirements as established by state law. These powers shall include, but not be restricted to the accounting methods, business procedures, fiscal affairs and revenues of said authorities, and each of said authorities shall be the sole judge of the investments of its funds. These powers shall not require any further enabling legislation.

Section \_\_\_\_ Borrowing Powers.

(A) General Obligation Notes and Bonds.

The governing authorities of the Louisiana Deepwater Ports shall have the power, without legislative enactment or authorization, to borrow money and to issue notes and bonds for any of their purposes and powers. Such borrowing shall be made and such notes and bonds shall be issued with the concurrence of and in accordance with the procedures established by the State Bond Commission, except as hereinafter provided in subsection (B). The State Bond Commission shall, immediately following the approval of this Constitution, notify the said governing authorities of its procedures.

All notes and bonds of said governing authorities issued pursuant to the foregoing authorizations shall constitute and be general obligations of the State.

*B.A. does not have this now*

1 first, a general obligation of the commission; and  
2 secondly, the full faith and credit of the parish  
3 of East Baton Rouge, the parish of West Baton Rouge,  
4 the parish of Iberville, the parish of Ascension;  
5 and thirdly, the State of Louisiana shall be and  
6 is hereby pledged. In addition to the pledge of  
7 revenues to secure said bonds and notes the commission  
8 may further secure their payment by a conventional  
9 mortgage upon any or all of the properties constructed  
10 or acquired, or to be constructed and acquired by it.  
11 The commission is further authorized to receive, by  
12 gift, grant, donation, or otherwise any sum of money,  
13 aid, or assistance from the United States, the State  
14 of Louisiana, or any political subdivision thereof, and  
15 unless otherwise provided by the terms of such gift,  
16 grant, or donation, in its discretion, to pledge all or  
17 any part of such moneys for the further securing of  
18 the payment of the principal and interest of its bonds  
19 or notes.

21 Section \_\_\_\_ Ad Valorem Tax

22 Section \_\_\_\_ There shall never be levied for  
23 and in the port area any ad valorem tax upon and limited  
24 solely to the property in the port area.

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A PROPOSAL

Louisiana Deepwater Ports; Established Deepwater Ports;  
Powers and Authorities; Organization.

PROPOSED SECTIONS:

Article \_\_\_\_, Section \_\_\_\_ Louisiana Deepwater Ports;  
creation; powers and authorities; improvements by  
riparian owners within limits of deepwater ports.

Section \_\_\_\_ The Legislature of the State of  
Louisiana is empowered to create Louisiana Deepwater  
Ports, situated on navigable waterways having a depth  
of not less than twenty-five feet and <sup>capable of</sup> serving ~~inter-~~  
deep draft-international waterborne transportation;  
~~sublocal commerce~~; to fix their territorial limits; to

to the payment of which the full faith and credit of the State shall be pledged by said governing authorities. All such bonds and notes, together with all bonds of said governing authorities outstanding at the time of adoption hereof, shall be payable from the Bond Security and Redemption Fund equally and rateably and on a parity with all general obligation bonds of the State issued under Article IV, Section 2 of the Constitution of 1921.

In establishing its procedures for the issuance of notes and bonds of said governing authorities, the State Bond Commission shall provide a method by which said governing authorities shall reimburse the Bond Security and Redemption Fund the amount of principal and interest paid on any such notes and bonds, as said principal and interest become due and payable.

Nothing in this Section shall be a limitation on the power of the Legislature to authorize the issuance of bonds by the State for the purposes of said governing authorities, upon such terms and conditions as it deems proper.

(B) Limited Revenue Obligations.

Said governing authorities may borrow such sums as shall be necessary to construct or improve any port facility, provided that the loan therefor shall be secured by and liquidated only from a percentage to be agreed upon of the revenues collected for the use of such facility.

Said governing authorities may issue bonds in such principal amount as may be necessary, for the purpose of constructing, acquiring or remodeling any facility which is in the power of said governing authorities to provide. This authority shall depend upon said governing authorities having entered into a lease or other agreement, by which under its terms and conditions, the bonds issued will be retired.

Such obligations and/or bonds or notes shall not be supported by the full faith and credit of the State, but shall be payable solely from the revenues of the said facility.

Said governing authorities may acquire movable and immovable property subject to mortgage or other liens and may agree to the retention of vendor's lien and privilege on the property acquired, provided that the obligees shall be limited solely to the proceeds derived from enforcement of the vendor's lien and privilege and not from the general revenues or other property of said governing authorities.

(C) Tax Exemption.

The principal of and interest on and income from all obligations created by said governing authorities shall be exempt from all State, parish, municipal or other taxation, except inheritance, transfer or gift taxes. General obligation bonds of said governing authorities shall have the same eligibility for deposit with the State or its officers or any of its political subdivisions or municipalities, as was granted by Article 321 of the Constitution of 1913 to the bonds therein authorized.

*Handwritten note:* Amend City of New Orleans

Section \_\_\_\_\_. Improvements by Riparian Owners within Limits of Deepwater Ports; Expropriation; Just Compensation

Riparian owners of property on navigable rivers or streams within the limits of the deepwater ports as hereinabove defined shall have the right to erect and maintain on the batters or banks owned by them, such wharves, buildings, or improvements, as may be required for the purposes of commerce, navigation, or other public purposes; provided, however, that where such owners have first obtained the consent of the governing authority of such deepwater port to erect such wharves, buildings, or

improvements, and same are erected in conformity to plans and specifications that have been approved by such governing authority, such owners shall be entitled to claim just compensation for, and the said governing authority may expropriate, said wharves, buildings, or improvements whenever said improvements or the riparian front shall be required for public purposes, but where such consent and approval is not obtained no compensation shall be allowed. In all cases such wharves, buildings, or improvements shall remain subject to the administration and control of such governing authority with respect to their maintenance and to the fees and charges to be exacted for their use by the public. Nothing herein shall deprive the levee boards of their authority with respect to levees in their respective districts or their right to appropriate, without compensation, such wharves, buildings or improvements.

Section \_\_\_\_\_. Additional Powers. In addition to all other powers conferred upon said deepwater port authorities by this Constitution, the Legislature may confer additional powers upon said authorities, including but not limited to the power to levy and collect taxes. Article \_\_\_\_\_. Section \_\_\_\_\_. Established Deepwater Ports; powers; territorial limits; organization; special powers.

*Handwritten note:* Note

Section \_\_\_\_\_. The three presently established deepwater ports of this State, namely, the Board of Commissioners of the Port of New Orleans (an agency of the State), the Greater Baton Rouge Port Commission (an executive department of the State), and the Lake Charles Harbor and Terminal District (a political subdivision of the State), shall have all general and special powers herein conferred on deepwater ports.

Section \_\_\_\_\_. Territorial Limits.

*Handwritten note:* Delete Board of Commissioners of New Orleans

(A) Board of Commissioners of the Port of New Orleans. The Board of Commissioners of the Port of New Orleans shall exercise all its powers and authorities within the territorial limits of the port area, consisting of the Parish of Orleans and those portions of the Parishes

of Jefferson and St. Bernard fronting on the Mississippi River or concerned with deep draft-international waterborne transportation.

(B) Greater Baton Rouge Port Commission. The Greater Baton Rouge Port Commission shall exercise all its powers and

authorities within the territorial limits of the port area, consisting of the Parishes of East Baton Rouge, West Baton Rouge, Iberville and Ascension, except the industrial areas created in the Parish of East Baton Rouge by the provisions of Section 1.08(b) of the Plan of Government for the Parish of East Baton Rouge and the City of Baton Rouge.

(C) Lake Charles Harbor and Terminal District. The Lake Charles Harbor and Terminal District shall exercise all its powers and authorities within the territorial limits of the port area, <sup>within</sup> the Parish of Calcasieu. <sup>of present date or of any date to be</sup> Section Organization. <sup>defined by the Legislature</sup>

*Deleted for history substitution*

(A) Board of Commissioners of the Port of New Orleans:  
Number of Members; Qualifications; Appointment; Term of Office; Removal.

The Board of Commissioners of the Port of New Orleans shall consist of five members who shall serve for a five-year term, without compensation, and who shall be experienced in commerce and industry, or both. Members shall be residents and qualified voters of the parish from which they are appointed. The categories of representation from the three parishes of Jefferson, Orleans, and St. Bernard, as set forth, shall hereafter be maintained at all times. The present members shall continue to serve on said board for the duration of their respective terms, and any vacancies in the membership of the board hereafter occurring by reason of expiration of the terms for which appointed shall be filled by the governor without the advice and consent or confirmation of the senate in the manner hereinafter provided. If any vacancy occurs by reason other than the expiration of the term for which appointed,

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such vacancy shall be filled for the duration of such unexpired term by appointment of the governor in the same manner as the vacating member was chosen. No member shall be eligible to succeed himself unless his term of office was for less than two years. Additionally, no member shall hold any office in any public position for compensation or an office in a political party or organization. Each member may be removed or suspended from office as provided by law. Members shall continue to serve until their successors have been appointed and duly qualified.

Vacancies arising by expiration of term of office shall be filled in the order and manner hereinafter set forth;

(1) One member from the parish of Jefferson shall be appointed by the governor within fifteen days after receipt by him of three nominees submitted to him by the Jefferson Parish Industrial Development Commission. Said three nominees shall be selected by said commission from a panel of six qualified nominees, comprising three nominees selected by the West Bank Council of the Chamber of Commerce of the New Orleans Area and three nominees selected by the East Jefferson Council of the Chamber of Commerce of the New Orleans Area.

(2) One member from the parish of St. Bernard shall be appointed by the governor within fifteen days after receipt by him of three qualified nominees submitted

to him by the St. Bernard Council of the Chamber of Commerce of the New Orleans Area.

(3) One member from the parish of Orleans shall be appointed by the governor within fifteen days after receipt by him of three nominees submitted to him by a nominating council, comprised of the presidents or recognized heads of the nominating organizations hereinafter named. Said nominating council shall select three nominees from a panel of names submitted to it by the following

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nominating organizations, which shall each select two qualified nominees:

- (a) Chamber of Commerce of the New Orleans Area
- (b) New Orleans Board of Trade, Ltd.
- (c) New Orleans Steamship Association
- (d) International House

(4) Two members from any of the parishes of Jefferson, Orleans, or St. Bernard, provided there shall never be more than two commissioners selected from any one of the three parishes, shall be appointed by the governor within fifteen days after receipt by him of three nominees submitted to him by a nominating council, comprised of the presidents or recognized executive heads of the nominating organizations hereinafter named. Said nominating council shall select three nominees from a panel of names submitted to it by the following nominating organizations, which shall each select two qualified nominees:

- (a) Chamber of Commerce of the New Orleans Area
- (b) New Orleans Board of Trade, Ltd.
- (c) St. Bernard Council of the Chamber of Commerce of the New Orleans Area
- (d) West Bank Council of the Chamber of Commerce of the New Orleans Area
- (e) East Jefferson Council of the Chamber of Commerce of the New Orleans Area
- (f) Jefferson Parish Industrial Development Commission
- (g) New Orleans Steamship Association
- (h) International House

(5) If any one or more of the nominating organizations referred to above shall cease to exist or to function, without any legal successor, then the nominees shall nevertheless be submitted by such of said organizations as shall continue to exist and function.

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(B) Greater Baton Rouge Port Commission: Number of Members; Qualifications; Appointment; Term of Office; Removal; Officers; Meetings; Quorum; Action by.

The Greater Baton Rouge Port Commission shall consist of ten members who shall serve for a six-year term, without compensation, and who shall be experienced in commerce or industry, or both. Members shall be residents and qualified voters of the State of Louisiana. The categories of representation as hereinafter set forth shall hereafter be maintained at all times. The present members shall continue to serve on said

commission for the duration of their respective terms, and any vacancies in the membership of the commission hereafter occurring by reason of expiration of the terms for which appointed shall be filled by the governor without the advice and consent or confirmation of the senate in the manner hereinafter provided. If any vacancy occurs by reason other than the expiration of the term for which appointed, such vacancy shall be filled for the duration of such unexpired term by appointment of the governor in the same manner as the vacating member was appointed. Each member may be removed or suspended from office as provided by law. Members shall continue to serve until their successors have been appointed and duly qualified.

Vacancies arising by expiration of term of office shall be filled by appointment of the governor, within fifteen days after receipt by him of the nominees in the manner hereinafter set forth:

- (1) Two commissioners appointed, one each from two separate panels of three names submitted by the police jury of the parish of West Baton Rouge;
- (2) One commissioner appointed from a panel of three names submitted by the mayor and aldermen of the town of Port Allen;

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- (3) Two commissioners appointed one each from two separate panels of three names submitted by the city council of the city of Baton Rouge;
- (4) Two commissioners appointed one each from two separate panels of three names submitted by the parish council of the parish of East Baton Rouge;
- (5) One commissioner appointed from a panel of three names submitted by the police jury of the parish of Iberville;
- (6) One commissioner appointed from a panel of three names submitted by the police jury of the parish of Ascension; and
- (7) One commissioner appointed directly by the governor of the State of Louisiana.

Officers; Meetings; Quorum; Action by.

The commission shall elect from among its own members a president, a vice president, a secretary, and a treasurer, whose respective duties shall be prescribed by the commission. At the option of the commission the office of the secretary and treasurer may be held by one person. The commission shall meet in regular session once each month, and shall also meet in special session at the call of the president of the commission, or on the written request of three members of the commission. A majority of the members of the commission shall constitute a quorum and all action or resolutions of the commission must be approved by the affirmative vote of not less than a majority of all members of the commission. The commission shall prescribe rules to govern its meetings and shall fix the place at which meetings shall be held.

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(C) Lake Charles Harbor and Terminal

District; Number of Members; Qualifications; Appointment; Term of Office; Removal. The Lake Charles Harbor and Terminal

District shall consist of five members who shall serve for a six-year term, without compensation, and who shall be experienced in commerce or industry, or both. Members shall be residents and qualified voters of ~~Cadillac Parish~~ <sup>Calcasieu Parish</sup>. The categories of representation hereinafter set forth shall hereafter be maintained at all times. The present members shall continue to serve on said board for the duration of their respective terms, and any vacancies in the membership of the board hereafter occurring by reason of expiration of the terms for which appointed shall be filled by the governor without the advice and consent or confirmation of the senate in the manner hereinafter provided. If any vacancy occurs by reason other than the expiration of the term for which appointed, such vacancy shall be filled for the duration of such unexpired term by appointment of the governor in the same manner as the vacating member was appointed. Each member may be removed or suspended from office as provided by law. Members shall continue to serve until their successors have been appointed and duly qualified.

Vacancies arising by expiration of term of office shall be filled by appointment of the governor within fifteen days after receipt by him of the nominees, in the manner hereinafter set forth:

- (1) The first vacancy shall be filled from a list of three nominees submitted to the governor by the central office of the American Rice Growers Cooperative Association at Lake Charles, Louisiana.
- (2) The next vacancy shall be filled from a list of three nominees submitted to the governor by the Lake Charles and Vicinity Central Trades and Labor Council, AFL-CIO, as one organization.

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- (3) The next vacancy shall be filled from a list of three nominees submitted to the governor by the Lake Charles Maritime Association.
- (4) The next vacancy shall be filled from a list of three nominees submitted to the governor by the Greater Lake Charles Chamber of Commerce, and the West Calcasieu Chamber of Commerce acting as one organization.
- (5) The next vacancy shall be filled from a list of three nominees submitted to the governor by the state senators and representatives in the legislature representing the parish of Calcasieu.
- (6) Any further vacancies shall be filled in the same order of rotation as shown hereinabove.
- (7) If now, or hereafter, one or more of the five organizations or groups set forth above has no commissioner on the board, the governor, the board, and the five organizations shall proceed to rectify this failure of representation of one or more groups by diverting, in case of a vacancy, from the order of appointments named hereinabove and by receiving nominations instead from the unrepresented organizations or groups, and then

- thereafter, shall revert to the order of nominations and appointments, as set forth in Subparagraphs (A) through (E) above
- (8) If any one or more of the organizations referred to in Subsection B, hereof ceases to exist or to function without any legal successor, then the nominees to be submitted to the governor by such organization shall

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- instead be submitted by the state senators and representatives representing the parish of Calcasieu.
- (9) In the event that for any reason the governor fails to receive three nominees for a given vacancy, as provided hereinabove, within sixty days after the expiration of the term of any member of the board or the occurrence of a vacancy on the board from any other cause, the governor shall proceed forthwith to make an appointment to fill such vacancy. The organization failing to submit such nominees shall lose its turn in the rotation.

Section       . Special Powers of Established Deepwater Ports. (A) Lake Charles Harbor and Terminal District: Ad Valorem Taxation. Lake Charles Harbor and Terminal District shall have the power to levy annually an ad valorem tax not to exceed ~~two and one-half~~ <sup>two</sup> mills on the dollar on the property subject to taxation situated within its territorial limits; all funds derived under this taxing authority shall be used to defray the administration, operation and maintenance expenses of the said authority.

(B) Lake Charles Harbor and Terminal District; Greater Baton Rouge Port Commission; Acquisition of industrial development sites; construction of industrial plants; leasing. Without in any way limiting any other powers of said authorities, the Lake Charles Harbor and Terminal District and the Greater Baton Rouge Port Commission shall be empowered and have the right to acquire industrial development sites and to construct industrial plants and buildings with necessary manufacturing and processing machinery and equipment, and to lease such sites, plants, buildings, machinery, and equipment for use and operation by private enterprise to provide additional sources of revenue to said authorities and to encourage industrial development within their respective areas.

# D. Affairs of the City of New Orleans

Provision Adopted by the Subcommittee of  
the Affairs of the City of New Orleans, to be  
considered by the Full Committee  
(June 28, 29, 30, 1973)

CC-

1 Constitutional Convention of Louisiana of 1973  
2 SUBCOMMITTEE PROPOSAL NUMBER  
3 Introduced by Delegates Jackson, Giarrusso, Taylor, and  
4 Zervigon  
5 A PROPOSAL  
6 To establish a Vieux Carre Commission.  
7 PROPOSED SECTION:  
8 Article\_\_\_\_, Section\_\_\_\_. Vieux Carre Commission  
9 Section\_\_\_\_. In order to promote the  
10 educational, cultural, economic and general  
11 welfare of the public through the preservation  
12 and protection of buildings, sites, monuments,  
13 structures and areas of historic or architectural  
14 interest or importance through their protection,  
15 maintenance and development as historic landmarks,  
16 each local governmental subdivision of the state,  
17 acting through a commission or otherwise, shall  
18 have the power and authority to establish, operate  
19 and maintain historic preservation districts by  
20 the adoption of appropriate ordinances and laws,  
21 which is hereby declared to be a public purpose.  
22 The City of New Orleans may exercise such power  
23 and authority through such commissions as it may  
24 create and/or through a Vieux Carre Commission  
25 whose composition, power, authority and duties  
26 shall be as are now or 'as may hereafter be ordained  
27 by the governing authority of the City of New Orleans  
28 in the area bounded by the center of Iberville Street,  
29 the center of North Rampart Street, the center of  
30 Esplanade Avenue and the mean water line of the east  
31 bank of the Mississippi River. The governing  
32 authority of each local governmental subdivision shall

33 have the power and authority of review to affirm,  
34 reverse or modify, in whole or in part, any action  
35 or decision of such commissions.

1 Source: La. Const. Art. XIV, §22A (1921).

2

3 Recommendation: The subcommittee recommends that  
4 general language empowering local governmental  
5 subdivisions to establish historic preservation  
6 districts, and to exercise their power and  
7 authority within such districts through citizen  
8 commissions be inserted into the constitution.  
9 The subcommittee further recommends that the  
10 Vieux Carre Commission be ratified and confirmed  
11 as one such historic preservation district  
12 commission.  
13

14 Comment: This recommendation reflects the subcommittee's  
15 view that the powers to be exercised by a local  
16 governing authority through an historic preservation  
17 district commission are not the ordinary police  
18 powers of local government, nor are they ordinary  
19 zoning powers. In the area of the Vieux Carre at  
20 present, for example, these powers include the right  
21 to review and reject all exterior architectural changes  
22 including overall design, types of materials and  
23 colors of paint. In addition the Vieux Carre Commission  
24 has the right to prohibit demolition of property and  
25 to purchase and dispose of property. The recommenda-  
26 tion also reflects the subcommittee's view that  
27 the powers of any such historic preservation district  
28 should be granted to the local governing authority,  
29 rather than directly to any such commission; and that  
30 the governing authority, which is elected by the  
31 people, should retain the power to review all actions  
32 and decisions of such commissions.

# E. Local Government Finance

DRAFT PROVISIONS TO BE CONSIDERED  
BY SUBCOMMITTEE ON FINANCE  
(June 14, 15, 1973)

CC-

1 Constitutional Convention of Louisiana of 1973  
2 SUBCOMMITTEE PROPOSAL NUMBER  
3 Introduced by Delegates Toomy, Burson, Chatelain, Kean,  
4 Lanier, Perez, and Zervigon

## 5 A PROPOSAL

6 Relative to local government finances.

### 7 PROPOSED SECTIONS:

8 Article \_\_\_\_\_, Section 1. Parish Tax Limits; Increase;  
9 Withdrawal of Municipality from Parish Taxing Authority

10 Section 1. (A) The governing authority of each parish  
11 may levy an ad valorem tax for general operating purposes,  
12 in an amount not to exceed in any one year, four mills on  
13 the dollar of assessed valuation; however, in Orleans  
14 Parish the limitation shall be seven mills and in Jackson  
15 Parish the limitation shall be five mills. These millage  
16 rates may be increased in any parish when approved by a  
17 majority of the electors of the parish voting in an elec-  
18 tion held for that purpose.

19 (B) The amount of the parish tax for general operating  
20 purposes which any parish, except the parish of Orleans,  
21 may levy on property located wholly within any incorpor-  
22 ated city or town, which has a population in excess of one  
23 thousand inhabitants according to the last census and which  
24 provides and maintains a system of street paving, shall not  
25 exceed one-half the tax levy for general operating purposes.

26 (C) If the legislative charter of any municipality,  
27 except the city of Monroe, has withdrawn the municipality  
28 wholly or partially from the taxing jurisdiction of the  
29 parish governing authority, no provision of this consti-  
30 tution shall be construed to affect or repeal such partial  
31 or total withdrawal.

32 Source: La. Const. Art. XIV, §§7, 8, 11, 24, 25.1 (1921).

33 Comment: Limitations on parish tax in source provision

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1 (Article XIV, Section 11) is retained in Paragraph (A).  
2 The revision changes the source provisions in that the  
3 general operating tax may be increased subject to voter  
4 approval. Deleted from the source provision is the  
5 special tax for parish, district, or municipal fairs.

6 Paragraph (B) restates source provision (Article XIV,  
7 Section 8) without substantive change. Deletes the pro-  
8 vision which provided that the section did not apply in  
9 a parish which had a general unbonded indebtedness on

10 January 1, 1921, until said debt had been paid or funded  
11 in bonds.

12 Paragraph (C) restates source provision (Article XIV,  
13 Section 7) without substantive change. There are 27 munic-  
14 ipalities presently operating under legislative charters.  
15 A review of these charters indicates almost one-half have  
16 withdrawn from the taxing jurisdiction of the parish.

### 17 Section 2. Municipal Tax Limits; Increase

18 Section 2. The governing authority of each municipality  
19 may levy an ad valorem tax for general operating purposes,  
20 in an amount not to exceed in any one year, seven mills on  
21 the dollar of assessed valuation; provided that where any  
22 municipality is, by its charter or by law, exempt from pay-  
23 ment of parish taxes or, under legislative authority, main-  
24 tains its own public schools, it may levy an annual tax not  
25 to exceed ten mills of the dollar of assessed valuation.  
26 These millage rates may be increased in any municipalti  
27 when approved by a majority of the electors of the munici-  
28 pality voting in an election held for that purpose. This  
29 Section shall not apply to the city of New Orleans.

30 Source: La. Const. Art. XIV, §12 (1921).

31 Comment: (a) Retains the source provision general limitation  
32 of seven mills on municipal property taxes, except munici-

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1 palities exempt from parochial taxes or those maintaining  
2 their own schools are limited to 10 mills. Deletes the  
3 provision allowing municipalities with a population of  
4 75,000 or more to levy a special tax, not exceeding one  
5 mill to provide for three-platoon police systems. Deletes  
6 the authority of municipalities of from 15,000 to 30,000  
7 to levy a special tax, not exceeding one and one-half mills  
8 for the maintenance of municipal employees' retirement funds.

9 (b) The revision authorizes an increase in the gener-  
10 al alimony tax subject to voter approval.

### 11 Section 3. Special Taxes; Ratified

12 Section 3. Any special tax being levied by any politi-  
13 cal subdivision by the prior laws or under authority of  
14 the constitution of this state when this constitution is  
15 adopted is hereby confirmed and ratified.

16 Source: La. Const. Art. X, §10; Art. XIV, §§11,12,14 (1921).

17 Comment: Numerous special taxes are authorized under the pres-

21 ent constitution. This provision continues these special  
22 taxes.

23  
24 Section 4. Bonds of Political Subdivisions; General  
25 Obligations

26 Section 4. The full faith and credit of every political  
27 subdivision are hereby pledged to the payment of principal  
28 of and interest on all bonds issued by it that are payable  
29 from taxes levied without limitations as to rate or amount  
30 under the terms of the statute or proceedings pursuant to  
31 which they are issued. The governing authority of the  
32 issuing political subdivision shall levy and collect or  
33 cause to be levied and collected on all taxable property in  
34 the political subdivision ad valorem taxes fully sufficient  
35 to pay principal and interest on such bonds as they mature.

1 Source: La. Const. Art. XIV, §14, ¶(a), (b.2), (c.3), (d.1), (d.2),  
2 (d.4), and (m) (1921).

3  
4 Comment: (a) In some cases, the source provision sets forth  
5 requirements for named political subdivisions to insure  
6 that sufficient sums will be collected to pay their bonded  
7 indebtedness. In other instances, no such requirements  
8 are enumerated.

9 (b) This Section sets forth uniform requirements  
10 upon political subdivisions to insure repayment of their  
11 bonds.

12  
13 Section 5. Taxpayer Authorization of Ad Valorem Tax  
14 Bonds of Political Subdivisions

15 Section 5. Bonds payable from ad valorem taxes levied  
16 without limitation as to rate or amount may be issued only  
17 after authorization by a vote of a majority in number of  
18 the electors in the political subdivision issuing such  
19 bonds, voting on the proposition. Funding and refunding  
20 bonds, even though payable solely from ad valorem taxes,  
21 need not be so authorized at an election if the indebted-  
22 ness funded or refunded is paid or cancelled at the time  
23 of the delivery of the funding or refunding bonds, or if  
24 money, or securities made eligible for such purpose by  
25 law, are deposited in escrow in an adequate amount, with  
26 interest, to be utilized solely for the purpose of re-  
27 tiring the funded or refunded indebtedness or bonds and  
28 paying interest thereon and redemption premiums, if any,  
29 to the time of retirement.

30  
31 Source: La. Const. Art. XIV, §14, ¶(a), (b.2), (c.3), (f), (g),  
32 (k) (1921).

33  
34 Comment: (a) The source provision contains authority for  
35 certain enumerated political subdivisions to incur debt

1 and issue bonds, with the requirement that such bonds may  
2 be issued only after authorization by a vote of the ma-  
3 jority in number and amount of the property taxpayers  
4 qualified to vote voting on the proposition at an election  
5 held therefor. The above Section extends this requirement  
6 to all bonds issued by political subdivisions payable from  
7 ad valorem taxes without limitation as to rate or amount  
8 and eliminates the property taxpayer requirement for  
9 voting in bond elections.

10 (b) The source provision authorizes certain speci-  
11 fied political subdivisions to issue funding and refunding  
12 bonds. The above Section extends such authority to all  
13 political subdivisions and specifically provides that no  
14 election is needed to issue such bonds, if at the time of  
15 delivery of the bonds the indebtedness funded or refunded  
16 is paid or cancelled or sufficient money or security is  
17 deposited in escrow.

18  
19 Section 6. Limitations on Bonded Indebtedness of Political  
20 Subdivisions

21 Section 6. (A) Bonds which are payable wholly or in  
22 part from ad valorem taxes levied without limitations as  
23 to rate or amount may be issued by any political subdivi-  
24 sion for any one purpose which, including the existing  
25 bonds of such political subdivision incurred for the same  
26 purpose and payable solely from ad valorem taxes levied  
27 without limitation as to rate or amount, shall not exceed  
28 in the aggregate ten percent of the assessed valuation of  
29 taxable property in the political subdivision, to be  
30 ascertained by the assessment for state and parish pur-  
31 poses last completed prior to the delivery of such bonds,  
32 except that as to both parishwide school districts and  
33 other school districts, the limitation applicable to each  
34 district shall be twenty-five percent of the assessed  
35 valuation of the taxable property.

1 (B) Any municipality that finances and operates its  
2 own schools and is not located within a parishwide or  
3 other school district shall be regarded as and treated on  
4 the same basis for the purpose of debt limitation and  
5 shall have the same authority for all purposes of this  
6 Section as though it were such a school district.

7 (C) The legislature may increase the debt limitations  
8 established in this Section by general or special law  
9 passed by a two-thirds vote of the elected membership of  
10 each house.

11 (D) Bonds of drainage districts payable from acreage  
12 taxes and refunding bonds shall not be considered to be

13 bonds payable solely from ad valorem taxes for all pur-  
14 poses of this Section.

15  
16 Source: La. Const. Art. XIV, §14, ¶(f), (f.1) (1921).

17  
18 Comment: (a) The source provision provides that the political  
19 subdivisions enumerated therein shall not incur debt and  
20 issue bonds which, including the existing bonded debt  
21 for such subdivision for such purpose, shall exceed in  
22 the aggregate 10 percentum of the assessed valuation of  
23 the taxable property of such subdivision. The limitation  
24 is continued in this revised Section, but it is made  
25 applicable to all political subdivisions.

26 (b) The source provision provides that the municipi-  
27 tality of Monroe shall be treated the same as the parish-  
28 wide school district or special school district. This  
29 revised Section extends this treatment to any municipality  
30 that finances and operates its own schools, without  
31 specifically mentioning the municipality of Monroe.

32 (c) The source provision increases the limitation  
33 for parishwide school districts and special school dis-  
34 tricts to 25 percent for specifically enumerated pur-  
35 poses. This revised Section increases the limitation for

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1 such school districts for all purposes.

2 (d) This revised Section retains the exception from the  
3 above limits of bonds issued and secured by acreage taxes,  
4 and refunding bonds.

5  
6 Section 7. Limited Time for Contesting Bonds of Political  
7 Subdivisions

8 Section 7. (A) For a period of sixty days from the  
9 promulgation of the result of any election held for the  
10 purpose of incurring or assuming debt, issuing bonds, or  
11 levying a special tax, any person in interest shall have  
12 the right to contest the legality of such election, the  
13 bond issue provided for, or the tax authorized, for any  
14 cause; after which time no one shall have any cause or  
15 right of action to contest the regularity, formality, or  
16 legality of said election, tax provisions, or bond author-  
17 ization, for any cause whatsoever. If the validity of any  
18 election, special tax, or bond issue authorized or pro-  
19 vided for, held under the provisions of this Section, is  
20 not raised within the sixty days herein prescribed, the  
21 authority to issue the bonds, the legality thereof, and  
22 the taxes necessary to pay the same shall be conclusively  
23 presumed to be valid, and no court shall have authority  
24 to inquire into such matters.

25 (B) Every ordinance or resolution authorizing the is-  
26 suance of bonds by a political subdivision shall be pub-  
27 lished once in a newspaper published in the political sub-

28 division, or if there is none, then in a newspaper having  
29 general circulation therein. For a period of thirty days  
30 from the date of the publication any person in interest  
31 may contest the legality of the ordinance or resolution,  
32 the bonds authorized thereby, and of any provision therein  
33 made for the security and payment of the bonds. After  
34 this time, no one shall have any cause of action to test  
35 the regularity, formality, legality, or effectiveness of

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1 the ordinance or resolution, bonds, and provisions for  
2 any cause whatever; and after this time it shall be con-  
3 clusively presumed that every legal requirement for the  
4 issuance of the bonds, including all things pertaining to  
5 the election, if any, at which the bonds were authorized,  
6 has been complied with, and no court shall have authority  
7 to inquire into any such matters after the lapse of this  
8 thirty days.

9  
10 Source: La. Const. Art. XIV, §14, ¶(a), (b.2), (g), (l), (m),  
11 (n), (1921).

12  
13 Comment: (a) The first Paragraph of this Section makes no  
14 change in the law.

15 (b) The source provision sets forth requirements  
16 similar to those in the second Paragraph of the revision  
17 section for specified types of bond issues. This revised  
18 Section extends the requirements to all types of bond  
19 issues.

20  
21 Section 8. Local Improvement Asses ments

22 Section 8. (A) The legislature shall provide by  
23 special or general law the procedures by which political  
24 subdivisions levy and collect local or special assessments  
25 on real property, for the purpose of constructing or im-  
26 proving works of public improvement.

27 (B) Certificates of indebtedness may be issued to cover  
28 the cost of the public improvement which shall be secured  
29 by the pledge of the local or special assessments levied  
30 therefor, and may be further secured by the pledge of the  
31 full faith and credit of the political subdivision to the  
32 payment of the certificates of indebtedness.

33 (C) The governing authority of the political subdivi-  
34 sion that has issued certificates of indebtedness payable  
35 from sources other than ad valorem taxes, and has pledged

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1 its full faith and credit for the prompt payment of the  
2 principal and interest thereof, shall levy or cause to be  
3 levied on all taxable property in the political subdivi-

4 sion ad valorem taxes, without limitation as to rate or  
5 amount, fully sufficient to make up any deficit in the  
6 other sources of revenue pledged to the payment of the  
7 certificates in principal and interest.

9 Source: La. Const. Art. X, §13; Art. XIV, §14, ¶(a), (b.1),  
10 (c.3), (d.1), (d.2), (d.4), (e), (g), (i), (j), (k-1-b), (o) (1921).

12 Comment: (a) Paragraphs (A) and (B) above are a restatement of  
13 present Const. Art. X, §13, and make no change in the law.  
14 The provisions of this Section are adopted from the pres-  
15 ent Article X and placed in the revised Article \_\_\_\_\_ be-  
16 cause this type of indebtedness is an integral part of  
17 local improvement financing.

18 (b) Paragraph (C) above sets forth uniform require-  
19 ments upon political subdivisions to insure repayment of  
20 certificates of indebtedness. In some instances, the  
21 source provision, Const. Art. XIV, §14, sets forth re-  
22 quirements for named political subdivisions to insure that  
23 sufficient sums will be collected to pay indebtednesses;  
24 in other instances, no such requirements are enumerated.

26 Section 9. Revenue Producing Property

27 Section 9. The legislature may authorize political  
28 corporations to issue bonds for the purpose of construct-  
29 ing, acquiring, extending, or improving any revenue-pro-  
30 ducing public utility. The bonds may be secured by mort-  
31 gage on the lands, buildings, machinery, and equipment  
32 or by the pledge of the income and revenues of such public  
33 utility; and shall not be a charge upon the other income  
34 and revenues of the political corporation.

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1 Source: La. Const. Art. XIV, §14, ¶(b.1), (b.2), (c), (d.1),  
2 (d.2), (d.4), (e), (f), (f.1), (m) (1921).

4 Comment: This Section is a restatement of the source pro-  
5 vision.

FINANCE PROVISIONS REPORTED TO COMMITTEE ON  
LOCAL AND PAROCHIAL GOVERNMENT FROM FINANCE SUBCOMMITTEE  
(June 28, 1973)

CC-

1 Constitutional Convention of Louisiana of 1973

2 SUBCOMMITTEE PROPOSAL NUMBER

3 Introduced by Joseph Toomy, Chairman, on behalf of Finance

4 Subcommittee of Local and Parochial Government Committee

5 A PROPOSAL

6 Relative to local and parochial government finance.

7 PROPOSED SECTIONS:

8 Article \_\_\_\_\_, Section 1. Political Subdivisions; Taxing.

9 Power; Limitations

10 Section 1. Political subdivisions may exercise the  
11 power of taxation, subject to such limitations as may be  
12 elsewhere provided in this constitution, under authority  
13 granted to them by the legislature for parish, municipal,  
14 and local purposes, strictly public in their nature. The  
15 provisions of this section shall not apply to, nor affect,  
16 similar grants to such political subdivisions under other  
17 sections of this constitution which are self-operative.

19 Source: La. Const. Art. X, §5 (1921).

21 Comment: Restates source without substantive change.

23 Section 2. Parish Tax Limits; Increase; Withdrawal of  
24 Municipality from Parish Taxing Authority

25 Section 1. (A) The governing authority of each parish  
26 may levy an ad valorem tax for general operating purposes,  
27 in an amount not to exceed in any one year, four mills on  
28 the dollar of assessed valuation; however, in Orleans  
29 Parish the limitation shall be seven mills and in Jackson  
30 Parish the limitation shall be five mills. Millage rates  
31 may be increased in any parish when approved by a majority  
32 of the electors who vote in favor thereof in an election  
33 held for that purpose.

34 (B) Where the millage increase is for other than general  
35 operating purposes, the proposition shall state the

1 specific purpose or purposes for which the tax is to be  
2 levied, the length of time the tax is to remain in  
3 effect, and all proceeds of the tax shall be dedicated  
4 to the purpose or purposes set for in the proposition.

5 (C) The amount of the parish tax for general operating  
6 purposes which any parish, except the parish of Orleans,  
7 may levy on property located wholly within any incorpor-  
8 ated city or town, which has a population in excess of  
9 one thousand inhabitants according to the last census  
10 and which provides and maintains a system of street pav-  
11 ing, shall not exceed one-half the tax levy for general  
12 operating purposes.

13 (D) This Section shall not be construed to repeal or  
14 affect the withdrawal of property in a municipality from  
15 parochial taxing jurisdiction, in whole or in part, by  
16 a provision of the legislative charter of the municipi-  
17 tality in effect on the date of adoption of this con-  
18 stitution.

20 Source: La. Const. Art. XIV, §§7, 8, 11, 24, 25.1 (1921).

22 Comment: (a) Limitations on parish tax in source (Art. XIV,  
23 §11) is retained in Paragraph (A). The revision changes  
24 the source provisions in that the general operating tax  
25 may be increased subject to voter approval. Deleted

26 from the source provision is the special tax for parish,  
27 district, or municipal fairs.

28 (b) Paragraph (B) gives parishes the authority to levy  
29 special taxes subject to voter approval.

30 (c) Paragraph (C) restates source (Art. XIV, §8) with-  
31 out substantive change.

32 (d) Paragraph (D) restates the source (Art. XIV, §7)  
33 except the city of Monroe is omitted as an exception  
34 from the source.  
35

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1 Section 3. Municipal Tax Limits; Increase

2 Section 3. (A) The governing authority of each  
3 municipality may levy an ad valorem tax for general  
4 operating purposes, in an amount not to exceed in any  
5 one year, seven mills on the dollar of assessed valua-  
6 tion; provided that where any municipality is, by its  
7 charter or by law, exempt from payment of parish taxes  
8 or, under legislative authority, maintains its own  
9 public schools, it may levy an annual tax not to exceed  
10 ten mills of the dollar of assessed valuation. Millage  
11 rates may be increased in any municipality when approved  
12 by a majority of the electors who vote in favor thereof  
13 in an election held for that purpose.

14 (B) Where the millage increase is for other than  
15 general operating purposes, the proposition shall state  
16 the specific purpose or purposes for which the tax is  
17 to be levied, the length of time the tax is to remain  
18 in effect, and all proceeds of the tax shall be dedicated  
19 to the purpose or purposes set forth in the proposition.

20 (C) This Section shall not apply to the city of New  
21 Orleans.  
22

23 Source: La. Const. Art. XIV, §12 (1921).  
24

25 Comment: (a) Retains the source provision general limitation  
26 of seven mills on municipal property taxes, except,  
27 municipalities exempt from parochial taxes or those  
28 maintaining their own schools are limited to 10 mills.  
29 Deletes the provision allowing municipalities with a  
30 population of 75,000 or more to levy a special tax, not  
31 exceeding one mill to provide for three-platoon police systems.  
32 Deletes the authority of municipalities of from 15,000  
33 to 30,000 to levy a special tax, not exceeding one and  
34 one-half mills for the maintenance of municipal employees'  
35 retirement funds.

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1 (b) The revision authorizes an increase in the gener-  
2 al alimony tax subject to voter approval.

3 (c) Paragraph (B) gives municipalities the authority  
4 to levy special taxes, subject to voter approval. This  
5 would allow any municipality to levy a special tax,  
6 subject to voter approval, for one or both of the  
7 enumerated purposes which is now deleted from the source,  
8 see comment (a), supra.

9 (d) As in the source provisions, the limitation on  
10 millage for the city of New Orleans is found in the  
11 Section on parish millage limits.  
12

13 Section 4. Special Taxes; Ratified

14 Section 4. Any special tax being levied by any politi-  
15 cal subdivision under prior laws or the constitution of  
16 this state when this constitution is adopted is hereby  
17 confirmed and ratified and the political subdivision is  
18 authorized to continue to levy said tax only for the pur-  
19 pose and duration previously authorized by law or by  
20 vote of the electors authorizing the tax.  
21

22 Source: La. Const. Art. X, §10; Art. XIV, §§11, 12, 14 (1921).  
23

24 Comment: Numerous special taxes are authorized under the pres-  
25 ent constitution. This provision continues these special  
26 taxes only for the purpose and duration authorized.  
27 Thereafter, voter approval would be necessary to continue  
28 any special tax presently being levied by a parish or  
29 municipality; see paragraph (B) of Sections 1 and 2,  
30 supra.  
31

32 Section 5. Political Subdivisions; Exclusive Authority  
33 to Levy and Collect Ad Valorem Taxes

34 Section 5. Notwithstanding any provision contained  
35 in Article \_\_\_\_\_, Section \_\_\_\_\_ of this constitution to

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1 the contrary, the power of taxation shall not be  
2 exercised by the legislature to levy an ad valorem tax  
3 upon any property in the state, and such power shall be  
4 exclusively vested in political subdivisions to be  
5 exercised as provided in this constitution.  
6

7 Source: New  
8

9 Comment: (a) Vest in political subdivisions the exclusive  
10 authority to use the ad valorem tax as a source of  
11 revenue.  
12

13 (b) Prohibits the legislature from levying an ad  
14 valorem tax.  
15

16 Section 6. Political Subdivisions; Occupational License  
Tax; Income Tax; Limitations

17 Section 6. Political subdivisions shall not levy:  
18 (1) a greater occupational license tax than is imposed  
19 by the state; (2) taxes upon or measured by income or  
20 earnings, except as shall be authorized by an act passed  
21 by not less than two-thirds vote of the elected member-  
22 ship of the legislature.

24 Source: La. Const. Art. X, §8 (1921).

26 Comment: (a) Retains the source except it eliminates certain  
27 classes of workers exempted from the license tax.

28 (b) The new section gives political subdivisions the  
29 power to levy income taxes if authorized by the leg-  
30 islatre.

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1 Section 7. Bonds of Political Subdivisions; General  
2 Obligations

3 Section 7. The full faith and credit of every political  
4 subdivision are hereby pledged to the payment of principal  
5 of and interest on all bonds issued by it that are payable  
6 from taxes levied without limitations as to rate or amount  
7 under the terms of the statute or proceedings pursuant to  
8 which they are issued. The governing authority of the  
9 issuing political subdivision shall levy and collect or  
10 cause to be levied and collected on all taxable property in  
11 the political subdivision ad valorem taxes fully sufficient  
12 to pay principal and interest on such bonds as they mature.

14 Source: La. Const. Art. XIV, §14, ¶(a), (b.2), (c.3), (d.1), (d.2),  
15 (d.4), and (m) (1921).

17 Comment: (a) In some cases, the source provision sets forth  
18 requirements for named political subdivisions to insure  
19 that sufficient sums will be collected to pay their bonded  
20 indebtedness. In other instances, no such requirements  
21 are enumerated.

22 (b) This Section sets forth uniform requirements  
23 upon political subdivisions to insure repayment of their  
24 bonds.

26 Section 8. Taxpayer Authorization of Ad Valorem Tax  
27 Bonds of Political Subdivisions

28 Section 8. Bonds payable from ad valorem taxes levied  
29 without limitation as to rate or amount may be issued only  
30 after authorization by a vote of a majority in number of  
31 the electors in the political subdivision issuing such  
32 bonds, voting on the proposition. Funding and refunding

33 bonds, even though payable solely from ad valorem taxes,  
34 need not be so authorized at an election if the indebted-  
35 ness funded or refunded is paid or cancelled at the time

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1 of the delivery of the funding or refunding bonds, or if  
2 money, or securities made eligible for such purpose by  
3 law, are deposited in escrow in an adequate amount, with  
4 interest, to be utilized solely for the purpose of re-  
5 tiring the funded or refunded indebtedness or bonds and  
6 paying interest thereon and redemption premiums, if any,  
7 to the time of retirement.

9 Source: La. Const. Art. XIV, §14, ¶(a), (b.2), (c.3), (f), (g),  
10 (k) (1921).

12 Comment: (a) The source provision contains authority for  
13 certain enumerated political subdivisions to incur debt  
14 and issue bonds, with the requirement that such bonds may  
15 be issued only after authorization by a vote of the ma-  
16 jority in number and amount of the property taxpayers  
17 qualified to vote voting on the proposition at an election  
18 held therefor. The above Section extends this requirement  
19 to all bonds issued by political subdivisions payable from  
20 ad valorem taxes without limitation as to rate or amount  
21 and eliminates the property taxpayer requirement for  
22 voting in bond elections.

23 (b) The source provision authorizes certain speci-  
24 fied political subdivisions to issue funding and refunding  
25 bonds. The above Section extends such authority to all  
26 political subdivisions and specifically provides that no  
27 election is needed to issue such bonds, if at the time of  
28 delivery of the bonds the indebtedness funded or refunded  
29 is paid or cancelled or sufficient money or security is  
30 deposited in escrow.

32 Section 9. Limitations on Bonded Indebtedness of Political  
33 Subdivisions

34 Section 9. (A) Bonds which are payable wholly or in  
35 part from ad valorem taxes levied without limitations as

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1 to rate or amount may be issued by any political subdivi-  
2 sion for any one purpose which, including the existing  
3 bonds of such political subdivision incurred for the same  
4 purpose and payable solely from ad valorem taxes levied  
5 without limitation as to rate or amount, shall not exceed  
6 in the aggregate ten percent of the assessed valuation of  
7 taxable property in the political subdivision, to be

ascertained by the assessment for state and parish purposes last completed prior to the delivery of such bonds, except that as to both parishwide school districts and other school districts, the limitation applicable to each district shall be twenty-five percent of the assessed valuation of the taxable property.

(B) Any municipality that finances and operates its own schools and is not located within a parishwide or other school district shall be regarded as and treated on the same basis for the purpose of debt limitation and shall have the same authority for all purposes of this Section as though it were such a school district.

(C) The legislature may increase the debt limitations established in this Section by general or special law passed by a two-thirds vote of the elected membership of each house.

(D) Bonds of drainage districts payable from acreage taxes and refunding bonds shall not be considered to be bonds payable solely from ad valorem taxes for all purposes of this Section.

Source: La. Const. Art. XIV, §14, ¶(f), (f.1) (1921).

Comment: (a) The source provision provides that the political subdivisions enumerated therein shall not incur debt and issue bonds which, including the existing bonded debt for such subdivision for such purpose, shall exceed in the aggregate 10 percentum of the assessed valuation of

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the taxable property of such subdivision. The limitation is continued in this revised Section, but it is made applicable to all political subdivisions.

(b) The source provision provides that the municipality of Monroe shall be treated the same as the parishwide school district or special school district. This revised Section extends this treatment to any municipality that finances and operates its own schools, without specifically mentioning the municipality of Monroe.

(c) The source provision increases the limitation for parishwide school districts and special school districts to 25 percent for specifically enumerated purposes. This revised Section increases the limitation for such school districts for all purposes.

(d) This revised Section retains the exception from the above limits of bonds issued and secured by acreage taxes, and refunding bonds.

Section 10. Limited Time for Contesting Bonds of Political Subdivisions

Section 10. (A) For a period of sixty days from the promulgation of the result of any election held for the purpose of incurring or assuming debt, issuing bonds, or levying a special tax, any person in interest shall have the right to contest the legality of such election, the bond issue provided for, or the tax authorized, for any cause; after which time no one shall have any cause or right of action to contest the regularity, formality, or legality of said election, tax provisions, or bond authorization, for any cause whatsoever. If the validity of any election, special tax, or bond issue authorized or provided for, held under the provisions of this Section, is not raised within the sixty days herein prescribed, the authority to issue the bonds, the legality thereof, and the taxes necessary to pay the same shall be conclusively

Page 9

presumed to be valid, and no court shall have authority to inquire into such matters.

(B) Every ordinance or resolution authorizing the issuance of bonds by a political subdivision shall be published once in a newspaper published in the political subdivision, or if there is none, then in a newspaper having general circulation therein. For a period of thirty days from the date of the publication any person in interest may contest the legality of the ordinance or resolution, the bonds authorized thereby, and of any provision therein made for the security and payment of the bonds. After this time, no one shall have any cause of action to test the regularity, formality, legality, or effectiveness of the ordinance or resolution, bonds, and provisions for any cause whatever; and after this time it shall be conclusively presumed that every legal requirement for the issuance of the bonds, including all things pertaining to the election, if any, at which the bonds were authorized, has been complied with, and no court shall have authority to inquire into any such matters after the lapse of this thirty days.

Source: La. Const. Art. XIV, §14, ¶(a), (b.2), (g), (l), (m), (n), (1921).

Comment: (a) The first Paragraph of this Section makes no change in the law.

(b) The source provision sets forth requirements similar to those in the second paragraph of the revision section for specified types of bond issues. This revised Section extends the requirements to all types of bond issues.

Section 11. Local Improvement Assessments

Section 11. (A) The legislature shall provide by

Page 10

1 ... of general law the procedures by which political  
2 subdivisions levy and collect local or special assessments  
3 on real property, for the purpose of constructing or im-  
4 proving works of public improvement.

5 (B) Certificates of indebtedness may be issued to cover  
6 the cost of the public improvement which shall be secured  
7 by the pledge of the local or special assessments levied  
8 therefor, and may be further secured by the pledge of the  
9 full faith and credit of the political subdivision to the  
10 payment of the certificates of indebtedness.

11 (C) The governing authority of the political subdivi-  
12 sion that has issued certificates of indebtedness payable  
13 from sources other than ad valorem taxes, and has pledged  
14 its full faith and credit for the prompt payment of the  
15 principal and interest thereof, shall levy or cause to be  
16 levied on all taxable property in the political subdivi-  
17 sion ad valorem taxes, without limitation as to rate or  
18 amount, fully sufficient to make up any deficit in the  
19 other sources of revenue pledged to the payment of the  
20 certificates in principal and interest.

21 Source: La. Const. Art. X, §13; Art. XIV, §14, ¶(a), (b.1),  
22 (c.3), (d.1), (d.2), (d.4), (e), (g), (i), (j), (k-1-b), (o) (1921).

23  
24 Comment: (a) Paragraphs (A) and (B) above are a restatement of  
25 present Const. Art. X, §13, and make no change in the law.  
26 The provisions of this Section are adopted from the pres-  
27 ent Article X and placed in the revised Article \_\_\_\_\_ be-  
28 cause this type of indebtedness is an integral part of  
29 local improvement financing.

30 (b) Paragraph (C) above sets forth uniform require-  
31 ments upon political subdivisions to insure repayment of  
32 certificates of indebtedness. In some instances, the  
33 source provision, Const. Art. XIV, §14, sets forth re-  
34 quirements for named political subdivisions to insure that  
35 sufficient sums will be collected to pay indebtednesses;

Page 11

1 in other substances, no such requirements are enumerated.

2  
3 Section 12. Revenue Producing Property

4 Section 12 The legislature may authorize political  
5 corporations to issue bonds for the purpose of construct-  
6 ing, acquiring, extending, or improving any revenue-pro-  
7 ducing public utility. The bonds may be secured by mort-  
8 gage on the lands, buildings, machinery, and equipment  
9 or by the pledge of the income and revenues of such public  
10 utility; and shall not be a charge upon the other income  
11 and revenues of the political corporation.

12 Source: La. Const. Art. XIV, §14, ¶(b.1), (b.2), (c), (d.1),  
13 (d.2), (d.4), (e), (f), (f.1), (m) (1921).

14  
15 Comment: This Section is a restatement of the source pro-  
16 vision.

Page 12

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Mr. Lanier

4 A PROPOSAL

5 Requiring approval of local legislative body before  
6 any state legislative increase in municipal or  
7 parish financial burden.

8 PROPOSED SECTIONS:

9 Article \_\_\_\_\_, Section \_\_\_\_\_. Legislation Increasing  
10 Municipal or Parish Financial Burdens  
11 State legislation requiring increased municipal  
12 or parish expenditures from local funds shall be  
13 effective only after approval by ordinance enacted  
14 by the affected local legislative body. When funds  
15 sufficient to meet the increased local expenditure are  
16 provided to the municipal or parish government by that  
17 legislation or by separate legislation enacted at  
18 the same legislative session, local approval is  
19 unnecessary.

20  
21 Source: New

22  
23 Comments: Makes home rule provision similar to,  
24 though stronger than those contained in the  
25 Rhode Island Constitution and in the Project  
26 of a Constitution for the State of Louisiana  
27 with Notes and Studies, Vol. 1, pt. II,  
28 p. 1273. Both of those documents allow the  
29 state legislatures to intervene in municipal  
30 affairs through general laws, the Project by  
31 a two-thirds vote of all the members elected  
32 to each house. See Rhode Island Constitution  
33 Article XXVIII, Secs. 4, 5 (1843) and Project.

CC/RS-387

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Joseph F. Toomy

4  
5 PROPOSED SECTIONS

6 Article \_\_\_\_\_, Section \_\_\_\_\_. Reimbursement of expenses  
7 incurred by parishes arising from crimes in or by  
8 inmates or employees of state penal institutions  
9 Section 1. The state shall reimburse parishes in  
10 which are located penal institutions of the State of  
11 Louisiana the expenses incurred by the parishes aris-  
12 ing from crimes committed in such institutions or by the  
13 inmates or employees thereof.

14  
15 Source: Law Institute Section 12, makes no change in the law.

16

17 Article \_\_\_\_\_, Section \_\_\_\_\_. Acquisition of property by  
18 political corporations  
19 Section 2. Political corporations may acquire prop-  
20 erty for any public purpose, including but not limited  
21 to purchase, donation, expropriation, or exchange.

22  
23 Source: Law Institute Section 15, no change made.

24  
25 Article \_\_\_\_\_, Section \_\_\_\_\_. Bonds of political sub-  
26 divisions; general obligations

27 Section 3. The full faith and credit of every po-  
28 litical subdivision are hereby pledged to the payment  
29 of principal of and interest on all bonds issued by it  
30 that are payable from taxes to be levied without limita-  
31 tion as to rate or amount under the terms of the statute  
32 or proceedings pursuant to which they are issued. The  
33 governing authority of the issuing political subdivision  
34 shall levy and collect or cause to be levied and col-  
35 lected on all taxable property in the political subdiv-

2

1 ision ad valorem taxes fully sufficient to pay principal  
2 and interest on such bonds as they mature.

3  
4 Source: Law Institute Section 20, as amended.

5  
6 Article \_\_\_\_\_, Section \_\_\_\_\_. Taxpayer authorization  
7 ad valorem tax bonds of political subdivisions

8 Section 4. Bonds payable from ad valorem taxes to be  
9 levied without limitation as to rate or amount may be iss-  
10 only after authorization by a vote of a majority in  
11 number of the qualified electors in the political sub-  
12 division issuing such bonds, voting on the proposition  
13 at a general or special election held therefor. Fund-  
14 ing and refunding bonds, even though payable solely  
15 from ad valorem taxes, need not be so authorized at an  
16 election if the indebtedness funded or refunded is paid  
17 or cancelled at the time of the delivery of the funding  
18 or refunding bonds, or if money, or securities made  
19 eligible for such purpose by law, are deposited in  
20 escrow in an adequate amount, with interest, to be  
21 utilized solely for the purpose of retiring the funded  
22 or refunded indebtedness or bonds and paying interest  
23 thereon and redemption premiums, if any, to the time  
24 of retirement.

25  
26 Source: Law Institute Section 21, changes include those to  
27 with subsequent court decisions.

28  
29 Article \_\_\_\_\_, Section \_\_\_\_\_. Limitations on bonded  
30 indebtedness of political subdivisions

31 Section 5. A. Bonds which are payable wholly or in  
32 part from ad valorem taxes to be levied without limitation  
33 as to rate or amount may be issued by any political sub-

34 division fro any one purpose which, including the exist-  
35 ing bonds of such political subdivision incurred for the

3

1 same purpose and payable solely from ad valorem taxes  
2 to be levied without limitation as to rate or amount,  
3 shall not exceed in the aggregate ten percent of the  
4 assessed valuation of taxable property in the political  
5 subdivision, to be ascertained by the assessment for  
6 state and parish purposes last completed prior to the  
7 delivery of such bonds, except that as to both parish-  
8 wide school districts and other school districts, the  
9 limitation applicable to each district shall be twenty-  
10 five percent of the assessed valuation of the taxable  
11 property. B. Any municipality that finances and operates  
12 its own schools and is not located within a parish-wide  
13 or other school district shall be regarded as and treated  
14 upon the same basis for the purpose of debt limitation  
15 and shall have the same authority for all purposes of  
16 this article as though it were such a school district.  
17 C. The legislature may increase the debt limitations  
18 established in this section by general or special law  
19 passed by a two-thirds vote of the elected membership  
20 of each house. D. Bonds of drainage districts payable  
21 from acreage taxes and refunding bonds shall not be  
22 considered to be bonds payable solely from ad valorem  
23 taxes for any purpose of this section.

24  
25 Source: Law Institute Section 22, Subsections A and C as  
26 amended, no changes made in Subsections in B and D.

27  
28 Article \_\_\_\_\_, Section \_\_\_\_\_. Limited time for contesting  
29 bonds of political subdivisions

30 Section 6. A. For a period of sixty days from the  
31 promulgation of the result of any election held for the  
32 purpose of incurring debt, issuing bonds, or levying a  
33 special tax, any person in interest shall have the right  
34 to contest the legality of such election, the bond issue  
35 provides for, or the tax authorized, for any cause;

4

1 often which time no one shall have any cuase or right  
2 of action ot contest the regularity, formality, or  
3 legality of said election, tax provisions, or bond  
4 authorization, for any cause whatsoever. If the valedity  
5 of any election, special tax, or bond issue authorized or  
6 provided for, held under the provision of this section,  
7 is not raised within the sixty days herein prescribed,  
8 the authority to issue the bonds, the legality thereof,  
9 and the taxes necessary to pay the same shall be con-

10 dlusively presumed, and no court shall have authority to  
11 inquire into such matters. B. Every ordinance or  
12 resolution authorizing the issuance of bonds by a politi-  
13 cal subdivision shall be published once in a newspaper  
14 published in the political subdivision, or if there is  
15 none, then in a newspaper having general circulation  
16 therein. For a period of thirty days from the date of  
17 the publication any person in interest may contest the  
18 legality of the ordinance or resolution, the bonds  
19 authorized thereby, and of any provision therein made  
20 for the security and payment of the bonds. After this  
21 time, no one shall have any cause of action to test the  
22 regularity, formality, legality, or effectiveness of the  
23 ordinance or resolution, bonds, and provisions for any  
24 cause whatever; and often this time it shall be con-  
25 clusively presumed that every legal requirement for the  
26 issuance of the bonds, including all things pertaining  
27 to the election, if any, at which the bonds were authoriz-  
28 ed, has been complied with, and no court shall have  
29 authority to inquire into any such matters often the  
30 lapse of this thirty days.

31  
32 Source: Law Institute Section 23, no changes made in Sub-  
33 sections A and B, Subsection C eliminated, thereby  
34 affording the same provisions to the City of New  
35 Orleans. This would be in order should the Board of

5

1 Liquidation, City Debt be eliminated from the  
2 Constitution.

3  
4 Article\_\_\_\_, Section\_\_\_\_. Local improvement assessments

5 Section 7. A. The legislature may authorize by  
6 special or general law, political subdivisions to levy  
7 and collect local or special assessments on real estate,  
8 for the purpose of constructing, paving, surfacing, or  
9 otherwise improving roads, streets, sidewalks, alleys,  
10 sewers, or other similar works of public improvement.

11 B. Certificates of indebtedness may be issued to cover  
12 the cost of the public improvement which shall be secured  
13 by the pledge of the local or special assessments levied  
14 therefor, and may be further secured by the pledge of  
15 the full faith and credit of the political subdivision  
16 to the payment of the certificates of indebtedness. C.  
17 The governing authority of the political subdivision  
18 that has issued certificates of indebtedness payable  
19 from sources other than ad valorem taxes, and has  
20 pledged its full faith and credit for the prompt payment  
21 of the principal and interest thereof, shall levy or cause  
22 to be levied on all taxable property in the political  
23 subdivision ad valorem taxes, without limitation as to  
24 rate or amount, fully sufficient to make up any deficit

25 in the other sources of revenue pledged to the payment  
26 of the certificates in principal and interest.

27  
28 Source: Law Institute Section 24, no change made.

29  
30 Article\_\_\_\_, Section\_\_\_\_. Assumption of bonded

31 indebtedness of political subdivisions by another

32 Section 8. A. The legislature may authorize any

33 political subdivision to assume the bonds or other

34 indebtedness of any other political subdivision lying

35 entirely within its boundaries, but if the bonds or other

6

1 indebtedness assumed are payable from ad valorem taxes,

2 this assumption shall be effective only if authorized

3 at an election held in the assuming political subdivision

4 as provided in Section\_\_\_\_ of this article for the

5 authorization of similar bonds.

6  
7 Source: Law Institutes Section 25, no change made.

8  
9 Article\_\_\_\_, Section\_\_\_\_. Revenue producing property

10 Section 9. The legislature may authorize political

11 corporations to issue bonds for the purpose of construct-

12 ing, acquiring, extending, or improving any revenue-pro-

13 ducing public utility. The bonds may be secured by

14 mortgage on the lands, buildings, machinery, and equip-

15 ment or by the pledge of the income and revenues of such

16 public utility; and shall not be a charge upon the other

17 income and revenues of the political corporation.

18  
19 Source: Law Institue Section 26, this is a restatement of

20 the law.

21  
22 Article\_\_\_\_, Section\_\_\_\_. Assistance to local industry

23 by political subdivisions

24 Section 10. A. Subject to such restrictions as it

25 may impose, the legislature may authorize any political

26 subdivision, in order to induce and encourage the location

27 of or addition to industrial enterprises therein; or to

28 provide funds for the erection and maintenance of industria-

29 plants for the conversion or processing or raw farm or

30 agricultural products, to issue bonds and use the funds

31 derived from the sale thereof to acquire and improve

32 industrial plant sites and other property necessary to

33 the purposes thereof, and to acquire, through purchase,

34 construction, or otherwise, and to improve, industrial

35 plant buildings and industrial plant equipment, machinery,

7

1 furnishing, and assurances, and to sell, lease; or

2 otherwise dispose of all or any part of the foregoing.

3 B. It is hereby found and declared that the purposes  
4 designed to be accomplished herein are public and  
5 proper leagle purposes and will be of public benefit  
6 to the political subdivision issuing the bonds.

7  
8 Source: Law Institute Section 27, no change made.

9  
10 Article \_\_\_\_\_, Section \_\_\_\_\_. Agreements between politi-  
11 cal subdivisions, or with the state, or another  
12 state, or United States

13 Agreements may be made by any political subdivision  
14 with any otherpolitical subdivision or with the state,  
15 or when authorized by the legislature, with the United  
16 States or an agency thereof, or with any other state or  
17 an agency thereof, for a cooperative or joint adminsitra-  
18 tion of any functions authorized to be performed by the  
19 parties to such agreements.

20  
21 Source: Law Institute Section 28, no change made.

CC-330

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate D'Gerolamo

4  
5 A PROPOSAL

6  
7 Relative to local and parochial government.

8 Be it adopted by the Constitutional Convention of Louisiana  
9 of 1973:

10  
11 Article \_\_\_, Section 9. Legislation Increasing Municipal  
12 or Parish Financial Burdens; Local Approval

13 Section 9. No law requiring an increase in expenditures,  
14 or deductions from the funds of a political subdivision,  
15 except a law providing for <sup>(minimum wages)</sup> minimum wages, working conditions,  
16 and retirement benefits for firemen and policemen, shall have  
17 effect until approved by ordinance enacted by the governing  
18 authority of the political subdivision affected thereby or  
19 until the legislature appropriates funds to the affected  
20 political subdivision for that purpose and only to the extent  
21 and amount that such funds are provided.

CC-

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Zervigon

4 A PROPOSAL

5 Relative to local and parochial government finance.

6 PROPOSED SECTIONS:

7 Article \_\_\_, Section 6. Political Subdivision; Occu-

8 pational License Tax; Limitations

9 Section 6. Except as shall be authorized by an  
10 act passed by no less than two-thirds vote of the elected  
11 membership of the legislature, no political subdivision  
12 shall levy and collect a greater occupational license  
13 tax than is imposed by the state.

14  
15 Section 6.1. Political Subdivisions; Income Tax;  
16 Limitations

17 Section 6.1. No political subdivision may levy and  
18 collect taxes upon or measured by income or earnings  
19 until the proposition for the imposition of said tax is  
20 submitted to and approved by a majority of the electors  
21 who vote in an election held for that purpose.

CC-

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Mr. Lanier

4 A PROPOSAL

5 Relative to local and parochial government finance.

6 Section 9. Limitations on Bonded Indebtedness of  
7 Political Subdivision

8 Section 9(A) For all purposes the general obliga-  
9 bonds of a political subdivision, including the exist-  
10 ing general obligation bonds of such political sub-  
11 division, shall not exceed in the aggregate ten per-  
12 cent of the fair-market value of the taxable propert  
13 in the political subdivision as listed on the assess  
14 ment rolls of the political subdivision last complet  
15 prior to the delivery of such bonds.

CC-

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Zervigon

4  
5 A PROPOSAL

6  
7 Relative to local and parochial government.

8 Be it adopted by the Constitutional Convention of Louisiana  
9 of 1973:

10  
11 Article \_\_\_, Section 20. Assistance to Local Industry  
12 by Political Subdivisions

13 Section 20. (A) Subject to such restrictions as  
14 it may impose, the legislature may authorize any political  
15 subdivision, in order (1) to induce and encourage the  
16 location of or addition to industrial enterprises therein,  
17 or (2) to provide for the establishment and furnishing of  
18 industrial plants for the conversion or processing of raw  
19 farm or agricultural products, or (3) to provide movable

20 or immovable property, or both, for pollution control  
21 facilities: (a) to issue bonds and use the funds derived  
22 from the sale thereof to acquire, through purchase, con-  
23 struction, or otherwise, and to improve industrial plant  
24 sites, buildings, equipment, machinery, furnishings, appur-  
25 tenances, and other property necessary to the purposes  
26 thereof; and (b) to sell, lease, or otherwise dispose of

27 all or any part of the foregoing.

28 (B) It is hereby found and declared that the pur-  
29 poses designed to be accomplished herein are public and  
30 proper legal purposes and will be of public benefit to  
31 the political subdivision issuing the bonds.

32  
33 Source: La. Const. Art. XIV, §§14(b.2), (b.3), 33 (1921).

# IV. General Correspondence



MOON LANDRIEU, President  
ULISSE W. NOLAN, President Pro-Tem

## Sewerage & Water Board of New Orleans

STUART H. BREHM, Jr. Secretary-Executive Director  
February 28, 1973  
CITY HALL - ADMIN. CENTER  
NEW ORLEANS, LA. 70165 • 529-4311

Honorable Chalin O. Perez, Chairman  
Committee on Local & Parochial Government  
Louisiana Constitutional Convention  
1806 Commerce Building  
New Orleans, Louisiana 70112

Dear Mr. Perez:

Mr. Ulisse W. Nolan, President Pro Temp. of the Sewerage and Water Board of New Orleans, has requested that I notify you and your committee that he and other citizen taxpayer members of the Board wish to speak with your committee concerning the position that they believe the Sewerage and Water Board of New Orleans should occupy in the draft of the upcoming Constitution that will be offered to the voters of the state for approval.

Mr. Nolan asked that I request, thru you, that the Constitutional Convention move with caution in any realignment of the structure of the Sewerage and Water Board in state law, both constitution and in the statutes, as the existing structure has served the city admirably over the past 74 years.

It has been stated in the local news media that your committee will meet on March 9th, and Mr. Nolan is asking that he and the other citizen members of the Board be invited to attend.

Sincerely,  
*Stuart H. Brehm, Jr.*  
Stuart H. Brehm, Jr.  
Secretary-Executive Director

SHB:jr/pad  
cc All members of Local & Parochial Government Committee  
All New Orleans delegates to the Convention  
All New Orleans legislators

George D. Braden  
113 Union Street  
Schenectady, N. Y. 12305

March 8, 1973

Miss Mary Zervigon  
Staff Assistant  
Office of the Mayor  
New Orleans, Louisiana 70112

Dear Miss Zervigon:

With reference to local government, I doubt that I can add anything to whatever has been supplied you by the sources you mention. I trust you have received a copy of my Citizens' Guide to the Texas Constitution. (Dean Morgan has a copy, I am sure.) In the Introduction thereof I make some comments about local government. There is also a chapter on local government. You also know, I am sure, about the book Professor Cohn and I wrote about the Illinois Constitution. There is some, but not much, material in it concerning local government. There will be more in the book on the Texas Constitution but, unfortunately, I haven't written it yet.

On the problems of transitions, I commend to you the transition schedule of the 1970 Illinois Constitution. I drafted it and, so far as I know, the idea of having such a schedule is original. I note that North Dakota and Montana both copied the idea. But I have more. At the New York Constitutional Convention in 1967 I was asked by the chairman of my committee to

draft an entire constitution for New York, which I did. He introduced it, but naturally nothing happened. The New York Constitution, as you may know, is filled with a lot of statutory detail -- not, of course, in a class with Louisiana -- most of which I took out. In order to cover this I provided some general provisions. I have not bothered to send you the entire draft, which is only an exercise, but I do enclose the pages of the general provisions and the pertinent pages of the explanatory memorandum which accompanied the draft constitution. I think that these might help you to invent necessary transitional provisions.

I would summarize the theoretical and practical problem thus: If you can convince the delegates and the people that legislative material should be left out, that the constitution

Miss Mary Zervigon

-2-

March 8, 1972

should not try to solve problems but state who solves problems, then you can take all legislative material out by use of a transition schedule that self-destructs so to speak and that uses such devices as I suggested for New York. And if the transition schedule is made destructible, then the principles set forth above are not violated by any amount of destructible detail temporarily left in the schedule.

If you are willing to accept off-the-top-of-the-head ideas, I shall be happy to be of any further service that I can.

Sincerely yours,  
*Ulisse W. Nolan*

Enclosures

page 32

in a manner provided by such convention and at an election which shall be held not less than six weeks after the adjournment of such convention. Upon the approval of such constitution in the manner provided in the last preceding section, such constitution shall go into effect on the date provided for therein.

### ARTICLE XIV General Provisions

Section 1. The enumeration in this constitution of specified powers and functions shall be construed neither as a grant nor as a limitation of the powers of state government but the state government shall have all the powers not denied by this constitution or by or under the constitution and laws of the United States. The absence in this constitution of a grant of power contained in the constitution hereby superseded shall not be construed as a limitation of the powers of the state government.

Section 2. In any case in which the constitution hereby superseded granted by its terms a private right, power or privilege to any person and if on the effective date of this constitution there is no statute in effect providing by its terms the same private right, power or privilege, then such grant shall be

deemed to continue in effect as if it were a statute until such time as the grant may be withdrawn, reduced or otherwise changed by law.

Section 3. Any limitations on the taxing and borrowing power of local governments contained in the constitution hereby  
page 33

superseded which are not preserved by statutes now in effect shall continue until such time as they shall be changed by law pursuant to Article VIII of this constitution.

Section 4. All laws not inconsistent with this constitution shall continue in force until they expire by their own limitation or are amended or repealed, and all existing writs, actions, suits, proceedings, civil or criminal liabilities, prosecutions, judgments, sentences, orders, decrees, appeals, causes of action, contracts, claims, demands, titles and rights shall continue unaffected except as modified in accordance with the provisions of this constitution.

Section 5. All officers filling any office by election or appointment shall continue to exercise the duties thereof, according to their respective commissions or appointments, until their offices shall have been abolished or their successors selected and qualified in accordance with this constitution or the laws enacted pursuant thereto.

ARTICLE XV

When to Take Effect

Section 1. This constitution shall take effect from and including the first day of January, one thousand, nine hundred sixty-eight, except as herein otherwise provided.

21.

Section 2. (cont'd)

~~That the rapidly developing practice of employers permitting employees to engage in public service without loss of income will cover everyone except the self-employed. It seems unlikely that the self-employed would particularly suffer financially in serving as delegates. The advantage of providing no compensation is that it discourages candidates whose primary interest in being a delegate is simply to pick up a large sum of money. A provision has been added giving the presiding officer of the convention a casting vote where there is a tie vote for the filling of a vacancy.~~

Article XIV. General Provisions

Note: This is a new article.

Section 1. The first sentence of this section is taken from the "Model State Constitution." The purpose of the provision is to make it clear that a state government has all the powers of government not specifically denied in the state constitution or by the Constitution and laws of the United States. Thus, this provision makes it clear that there is no need to insert in the constitution any affirmative grant of power. The second sentence of this section has been added to reinforce the foregoing in the case of the several

in this "affirmative"

affirmative grants of power which have been omitted from this proposed constitution.

\* Note that this does not appear in the text of the section. The word is, in fact, in the 1967 Constitution, added by the State and Planning after it had given it to the District, in the Report of the Committee (AM, 1967) p. 52.

22.

Section 2. In several instances the proposed constitution omits a legislative matter which, by its terms, grants a private right, power, or privilege. It is provided that if there is no existing statute coextensive with such a grant, the grant continues in effect as if it were a statute.

Section 3. The article limiting taxing and borrowing power of local government has been omitted as a legislative detail but because it will take some time for the legislature to replace such an article this section continues such limitations until they are changed pursuant to the proposed Local Government Article.

Sections 4 and 5. These two sections, taken from the "Model State Constitution," provide all necessary transitions from the old constitution to the new constitution. These two sections, together with Sections 2 and 3 discussed above, eliminate the necessity for any extensive delay in the effective date of the new constitution and avoid an inordinate immediate burden on the legislature.

Article XV (old XX)  
When to Take Effect

Section 1. Unchanged in substance.



MOON LANDRIEU  
MAYOR

CITY OF NEW ORLEANS

DEPARTMENT OF CITY CIVIL SERVICE

ROOM 7003 CITY HALL  
NEW ORLEANS, LA 70112  
529-4311 EXT 461

March 9, 1973

CITY CIVIL SERVICE COMMISSION  
WILLIAM M. BARNETT, CHAIRMAN  
NORMAN C. FRANCIS  
MARCEL GARSAUD, JR.

WILLIAM R. KONRAD  
DIRECTOR OF PERSONNEL

Mr. Chalin O. Perez  
Chairman of the Committee on  
Local and Parochial Government  
Louisiana Constitutional Convention  
Second Floor, State Capital  
Baton Rouge, Louisiana

Re: Recommendations for a Proposed Constitutional Civil Service Provision for the Cities

Dear Mr. Perez:

In connection with the activities of your committee, I am sending you herewith my own personal views for a possible constitutional provision to provide civil service for the cities of the state.

This proposal is considerably briefer than the existing civil service provision which covers both city and state operations. However, it retains those elements which I feel are essential for a strong and viable civil service system.

Very truly yours,

CITY OF NEW ORLEANS  
CIVIL SERVICE DEPARTMENT

*William R. Konrad*  
William R. Konrad  
Director of Personnel

Enclosure  
WRK:pb

Member of  
Public  
Personnel  
Association

"An Equal Opportunity Employer"

A. City Service or Civil Service of the city means all officials and positions of trust or employment in the employ of the city or any department, independent agency or other agency, board, or commission. (Source: Section 15, Article XIV; (A) (3).

B. The classified City Civil Service shall include all officers and employees in the City Civil Service except (1) officers elected by the people and persons appointed to fill vacancies in elective offices, (2) heads of principal departments appointed by the mayor or other governing body of any city, (3) city attorneys, (4) members of city boards and commissions, (5) one principal assistant or deputy, one attorney and one person holding a confidential position to any officer, board or commission mentioned in 1, 2, and 4, except the City Civil Service Department, (6) officers and employees of the Office of the Mayor and City Attorneys, (7) commissioners of elections and watches, custodians and deputy custodians of voting machines, (8) all persons employed and deputies selected

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by sheriffs, clerks of court and courts of record except those presently in the classified service. Additional exceptions may be made and revoked by rules adopted by the Commission. (Source: Section 15, Article XIV; (G).

C. There is hereby created and established in the city government of each city having a population exceeding 300,000, a Department of City Civil Service, the administrative head of which shall be the Director of Personnel to be appointed as hereinafter provided. (Source: Section 15, Article XIV; (B).

D. There is hereby created and established a City Civil Service Commission for each city having a population exceeding 300,000, to be composed of three citizens who are qualified voters of the city in which they serve. One member of the Commission shall be appointed by the governing body of the city. The other two members of the Commission shall be appointed as follows:

The president of the six oldest colleges or universities located in or nearest to the city concerned shall

each nominate one person, and two members of the Commission shall be appointed by the governing body of the city from the panel of six persons. One of the commissioners first appointed shall serve for two years, one for four years, and one for six years. The respective terms of the first appointees shall be designated by the governing body of the city. Vacancies shall be filled in the same manner as the original appointments. Each succeeding appointee shall serve for six years. Provided that appointment to fill a vacancy for an unexpired term shall be only for the unexpired term. Each commissioner shall serve until his successor has been appointed, and members of the existing Commission shall continue to serve until the first commissioners are appointed pursuant to this section. No member of the Commission shall be removed except for cause after being given a copy of the charges against him and an opportunity to be heard publicly on such charges by his appointing authority. Members of the Commission shall each be paid fifty dollars (\$50.00) for each day devoted to the work of the Commission but not more than two thousand dollars (\$2,000.00) in any year. They shall also be entitled to reimbursement for

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actual expenses. (Source: Section 15, Article XIV; (D) & (E) & (K).

E. The Commission shall appoint a Director of Personnel, with or without competitive examination, who shall be in the classified service. The Director shall appoint such personnel and staff and have such powers and perform such duties as are authorized and delegated to him by the Commission.

F. Permanent appointments and promotions in the classified City Civil Service shall be made only after certification by the Department of Civil Service under a general system based upon merit, efficiency, and fitness as ascertained by examinations which, so far as practical, shall be competitive, and employees and officers in the classified service shall be employed from those eligible under such certification. The Commission shall adopt rules for the method of certification of persons eligible for appointment and promotion and shall provide for appointments defined as emergency and temporary appointments where certification is not required.

G. No person having gained permanent Civil Service status in the classified City Civil Service shall be subjected to disciplinary action except for cause; nor shall any classified employee be discriminated against by reason of his political or religious beliefs, sex, or race. Any classified employee so discriminated against or subjected to such disciplinary action shall have the right of appeal to the City Civil Service Commission.

The burden of proof on appeal, as to the facts, shall be on the employee. (Source: Section 15, Article XIV; (A) (1) (2).

H. The Commission is vested with broad and general rule-making powers, including subpoena powers, for the administration and regulation of the classified City Civil Service including, but not limited to, regulation of employment, promotion, demotion, suspension, reduction in pay, removal, certification, qualifications and all other personnel matters and transactions, the adoption of a uniform pay and classification plan, employment conditions, compensation and disbursements to employees, and generally to carry out and

Page Six.

effectuate the objectives and purposes of the merit system of Civil Service as herein established.

I. No member of the City Civil Service Commission and no officer or employee in the classified service shall participate or engage in political activity or be a candidate for nomination for election to public office or be a member of any national, state or local committee of a political party or faction nor make or solicit contributions for any political party, faction or candidate nor take active part in the management of the affairs of a political party, faction or candidate or any political campaign except to exercise his right as a citizen to express his opinion privately, to serve as a commissioner or as an official watcher at the polls and to cast his vote as he desires. No person shall solicit contributions for political purposes from any classified employee or official nor use or attempt to use his position in the City Civil Service to punish or coerce the political action of such person.

J. The Commission is authorized to make investigations into violations of the provisions of this section and the

rules or laws adopted pursuant hereto.

K. The rules adopted pursuant hereto shall have the effect of law. The Commission may impose penalties for their violation in the form of demotion in, or suspension or discharge from, position with attendant loss of pay. (Source: Section 15, Article XIV; (I) (O) (4).

L. Any person who wilfully violates any provision of this section or of the laws adopted by the legislature pursuant hereto shall be guilty of a misdemeanor and shall upon conviction, be punished by a fine of not more than \$500.00, or by imprisonment for not more than six (6) months, or both. (Source: Section 15, Article XIV; (P) (3).

M. Upon the effective date of this amendment, all officers and employees of the city who have Civil Service status in the classified service of the city shall retain said status in the position, class, and rank that they have on such date and shall thereafter be subject to and governed by the provisions of this amendment and the rules and regulations adopted under the authority hereof.

March 13, 1973

Mr. Gene Tarver  
Louisiana Constitutional Convention  
of 1973  
P. O. Box 44473  
Baton Rouge, Louisiana 70804

Dear Gene:

I spoke with Chalin Perez and he requested that I notify you to place the Lafourche Parish Police Jury tentatively on the agenda at 11:00 a.m. on Monday, March 19, 1973. Also, please place the Bayou Lafourche Freshwater District on the agenda for 1:30 p.m. on Tuesday, March 20, 1973.

I am concerned about the coordination and cooperation between special legislative and constitutional districts and units of local government. Is there any way that we can require coordination and cooperation between these units? One possibility would be to require that the local units make the appointments to the special districts on a pro rata basis and another would be to require approval from the local units to the activities of the independent district. Please see if you can come up with any productive research as to what other states have done concerning this.

Please provide me with any citations on research that you can uncover concerning the works of Professor Jefferson Fordham and his so called Fordham Plan. Your help and assistance in this matter will be appreciated.

With kindest regards, I hope to remain

Very truly yours,

Walter I. Lanier, Jr.  
Delegate, District 55  
Louisiana Constitutional  
Convention of 1973

WIL JR/jgm

ASSOCIATION OF LEVEE BOARDS OF LOUISIANA

P. O. Box 44155, CAPITOL STATION, BATON ROUGE, LOUISIANA 70804

Office of the Secretary

P. O. Box 277  
Jonesville, Louisiana 71343  
March 16, 1973

Mr. Chalin O. Perez, Chairman  
Committee on Local and Parochial Government  
P. O. Box 44473  
Capitol Building  
Baton Rouge, Louisiana 70804

Dear Chalin:

On March 12, I advised you that it was my desire that you have the records of your committee show that I favored the resolution adopted by the Joint Legislative Committee at its meeting held February 27, 1973. I am now advised that there has been some objection to that part of the study committee's resolution which reads as follows:

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

The only objection seems to be that where only a part of the parish encompasses the levee district, only the registered voters who actually live in the levee district should decide whether or not the district should be merged into the parish governing body.

As a consequence, it will be appreciated if my previous recommendation could be changed only to the extent that I believe it would be wrong for the voters in the entire parish to decide whether or not the district should be merged into the parish governing body if the district only covers part of the parish.

Mr. Chalin O. Perez  
Page 2  
March 16, 1973

If you have any questions concerning the above, do not hesitate to advise.

With continued best wishes, I am,

Very truly yours,

*Wedon T. Smith*  
Wedon T. Smith  
President

WTS/fs

JEFFERSON PARISH  
LOUISIANA

March 22, 1973

NEW COURTHOUSE  
GREINA, LOUISIANA  
TEL. 367-6611

Mr. Walter I. Lanier, Jr.  
P.O. Box 648  
Thibodaux, Louisiana 70301

Re: Local Government  
Rough Draft  
Residual Constitutional Authority

Dear Walter:

I read with interest Section 5 of the so-called Fordham Plan which you had so courteously forwarded to me.

While I would, as Parish Attorney, be of the opinion that residual authority would certainly clear up a lot of matters for the Parishes, I cannot agree that any Parish would give up its authority or right to structure and organize itself as we have done in Jefferson Parish.

The way I read Section 5, there would be no limitation on the Legislature's authority to limit the authority of the various Parishes or to cause them to effect any type of pay raises or pay ranges for organization that they may see fit to do in the Legislature.

This type of law has wrecked havoc with various municipalities and the City of New Orleans.

Fortunately, the City of Baton Rouge and the Parish of Jefferson has been given the protection of the LaFleur case from the First Circuit Court and the Letellier case from the Louisiana Supreme Court. Accordingly, for your information, I am forwarding herewith copies of the two judgments which I feel would more clearly explain our position.

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March 22, 1973

As I pointed out at the Committee hearing, this may seem to be a very small grant of authority, but it does afford a great deal of autonomy to the parochial governments. I feel that while residual power would be desirable, I cannot agree with its position since there is absolutely no limitation on what authority may be stripped from the Parishes by the Legislature.

I am aware of the other provisions in the plan which would seem to have some limitation on the Legislature's authority, but I believe the simple phrasing in Article 14, Section 3(c) could be modified to add the residual authority that you desire, and would already have a Supreme Court case to protect us in this regard and further litigation would not be required.

With kindest personal regards,

Sincerely,  
*Alvin Rudy Eason*  
Alvin Rudy Eason  
Parish Attorney

ARE:hj  
File 2994

Enclosures

cc: Mr. James Arceneaux



CHIEF JUSTICE  
JOE W. SANDERS  
ASSOCIATE JUSTICES  
FRANK W. SUMMERS  
MACK E. BARNHAM  
ALBERT TATE JR.  
JOHN A. DIXON JR.  
PASCAL F. CALOGERO JR.  
WALTER F. MARCUS JR.

Supreme Court  
STATE OF LOUISIANA  
New Orleans  
70112  
April 4, 1973

Mr. Walter I. Lanier, Jr.  
Delegate, District 55  
Committee on Legislative Liaison  
and Transitional Measures  
P. O. Box 44473  
Baton Rouge, Louisiana 70804

Dear Mr. Lanier:

I certainly appreciate your concern about the Committee on Alternatives, but I wish that perhaps you had called me. The Coordinating Committee, composed of the chairmen of the substantive committees, had set up this subcommittee in the interest of recommending a general approach of all substantive committees. Representative LeBreton was made a member to assure liaison with the Committee on Legislative Liaison and Transitional Measures, of which he is chairman.

In other words, the Coordinating Committee, with general responsibility for coordinating approaches of the substantive committees, set up the Committee on Alternatives to make recommendations to it on alternative methods of transposing into statutory or other form material to be omitted from the new constitution but contained in the former constitution and still needed.

I would appreciate it if you would forward a copy of this letter to all those you mailed your letter, with the suggestion that any who disapprove of this approach bring it up with Speaker Henry, Chairman of the Coordinating Committee, and that committee.

Yours truly,

*Albert Tate, Jr.*  
Albert Tate, Jr.

cc: Rep. Edward F. LeBreton, Jr.

P.S. Please give my regards to your father, a truly fine man. AT



STANDARD & POOR'S CORPORATION  
345 HUDSON STREET NEW YORK N Y 10014

April 5, 1973

Mr. Walter I. Lanier, Jr.  
Committee on Local and Parochial Government  
State of Louisiana Constitutional Convention of 1973  
P.O. Box 44473  
Baton Rouge, Louisiana 70804

RE: Louisiana Constitutional Revisions

Dear Mr. Lanier:

This will respond to your recent request for our thoughts concerning certain proposed changes in the Louisiana Constitution.

We see no direct relationship between individual placement of a unit in the Constitution and its credit rating. Once a unit has a bond obligation, the bond is a contract between that unit and the bondholder for the life of the debt. In your letter you seem to equate a bond rating with bond price. We cannot agree with that assumption and hold that the credit rating and bond price are not necessarily linked.

Generally, a State Constitution should contain as little detail as possible. It should cover areas of concern in a broad fashion, allowing the Legislature ample leeway for meeting problems as they arise from time to time. You appear to be moving somewhat in that direction.

We see no problems with your Proposed Sections 18, 19, 20, 22, and 23. As you indicated for Proposed Section 21, it may have to be modified to eliminate reference to property owners.

Proposed Section 24 raises the question of pledging local full faith and credit without a vote of the electorate. If voter approval is needed for full faith and credit bonds, why allow the procedure outlined in Section 24? Proposed Sections 25 through 29 offer no problems.

Overall, we have found that with very few exceptions, fiscal reporting on the part of local units is either late, substandard or both. We find this to be especially true of parishes, school districts and special districts. Your committee would do well to use its offices to mandate standardized and current annual financial reporting. We find that we have adequate data in connection with a new bond sale but the issuer usually forgets about us thereafter. We have an obligation to maintain

STANDARD & POOR'S CORPORATION

regular surveillance of our published ratings. When we do not have adequate current financial data, we are compelled to withdraw our rating.

In another area, we suggest that a uniform and standard basis of assessment be established statewide and properly enforced.

A year ago we were informed of a proposed new Article IV concerning State Public Debt but still do not know the status of this proposition.

We trust the above will be of some use to you in your deliberations. Please feel free to call for any elaboration.

Very truly yours,

*Hyman C. Grossman*  
Hyman C. Grossman  
Manager  
Municipal Bond Department

hm

cc: Mr. John K. Pfeiffer  
Vice President  
Municipal Bond Department

BOARD OF LIQUIDATION, CITY DEBT  
ROOM 0817, CITY HALL  
1000 PERDIDO STREET  
New Orleans, La. 70112  
April 17, 1973

Mr. Chalin Perez, Chairman  
Committee on Local and  
Municipal Affairs  
Louisiana Constitutional Convention of 1973  
Baton Rouge, Louisiana

Dear Mr. Perez:

Enclosed herewith please find a copy of the proposed section of the Louisiana Constitution providing for the Board of Liquidation, City Debt of the City of New Orleans. We have endeavored, in drafting this proposed section, to follow the instructions given by you and your committee on March 9 to Messrs. Kelleher and Rieth, when they testified before you, concerning the Board of Liquidation. The proposed language carries forward the powers of the Board of Liquidation as they exist in the current Constitution. The provisions, however, have been considerably reduced and simplified so that we believe the proposed article provides only the essential material necessary for inclusion in the Constitution.

It should be noted that this proposal deals only with the administration of general obligation bonds of the City of New Orleans and does not include sections, presently in the Constitution, dealing with the issuance and administration of bonds which are the obligation of the Sewerage and Water Board of the City of New Orleans. Presently, the Board of Liquidation, City Debt, City of New Orleans, is the agency responsible for administering the revenue bonds, drainage system bonds and the special two mill tax bonds now outstanding. If our Board is to continue to issue and administer bonds which are the obligation of the Sewerage and Water Board, additional sections of the Constitution would be needed and we stand ready to provide any help we may be called upon to furnish in this connection.

Enclosed you will also find analyses of the three major acts providing for the Board as it presently is constituted: Act 533 of 1880, Act 110 of 1890 and Act 4 of 1916. These analyses contain an outline of the substantive provisions of the current acts together with an explanation of where similar provisions are found in the suggested draft.

Board of Liquidation, City Debt

Mr. Chalin Perez  
Page 2 -  
April 17, 1973

Your attention is particularly called, however, to several substantive changes in this draft provision over the current law. New members to fill vacancies on the committee of six citizens who sit on the Board of Liquidation are to be chosen by the Mayor of the City of New Orleans from a panel of three nominees submitted by the remaining committee members. Additionally, the Council of the City of New Orleans is given the power to submit a bond issue to the voters of the City of New Orleans over the objection of the Board of Liquidation by a two-thirds vote of the City Council. We believe these changes cure any potential problem of constitutionality in the establishment and powers of the Board.

This draft provides for a considerably more efficient procedure for the mechanical aspects of issuing the bonds, such as the manner in which the bonds are to be advertised and the manner in which they are signed. Since this draft continues the requirement that the bonds to be issued must be voted upon by the voters of Orleans Parish, there is no stated percentage of debt limitation in the draft. The draft has also considerably reduced the details contained in previous provisions and left many matters, where legally permissible, to the Board's discretion, thus minimizing the possibility of ever having to seek amendments to these provisions.

In the opinion of our counsel, if the Board of Liquidation is to have the broad powers which it now enjoys, those powers should be contained in a constitutional grant of power rather than in a legislative statute or in a home rule charter. If the grant of power to the Board of Liquidation is not contained in the Constitution, it might be open to attack as an unconstitutionally broad grant of power from either the legislature or a city charter. Therefore, if the Board of Liquidation is to be maintained in a position in which it can be of financial benefit to the City of New Orleans, it must be maintained in the Constitution.

We appreciate your kind attention to this matter and should we be able to be of assistance to you, we would be most happy to make ourselves available at your convenience.

Very truly yours,

BOARD OF LIQUIDATION, CITY DEBT

*Richard W. Freeman*  
Richard W. Freeman, President

RWF:JAV  
ENC.

PROPOSED SECTION OF LOUISIANA  
CONSTITUTION PROVIDING FOR THE  
BOARD OF LIQUIDATION, CITY DEBT

Section 1. The Board of Liquidation, City Debt,  
consisting of the permanent committee of six citizens of

said City, the Mayor, and the two-at-large Councilmen, or their successors in office at any given time, shall continue to be in existence while any bonds authorized by this article are outstanding and unpaid, shall be a body politic and corporate, and shall have exclusive control and direction of all matters relating to the bonded debt of the City of New Orleans.

Section 2. The City of New Orleans may issue and negotiate its bonds when authorized by a vote of a majority of the registered voters in the City of New Orleans who are otherwise qualified to vote under the Constitution and laws of this State, who vote at an election called by ordinance adopted by a vote of two-thirds of all the members of the Council of the City of New Orleans, or its successor as the governing body of said City of New Orleans, and approved by a vote of two-thirds of all the members of the Board of Liquidation, City Debt. However, if said ordinance is not approved by the Board of Liquidation, City Debt, as herein specified, such election may nonetheless be called if two-thirds of all the members of the Council of the City of New Orleans or its successor as governing body of the City of New Orleans thereafter so vote, provided, however, that the ballot for such election shall contain appropriate notice, approved by the Board of Liquidation, City Debt that the Board of Liquidation, City Debt has not approved the submission of the issue to the voters. Due notice of said election shall be published in the official journal of said City as the Board of Liquidation, City Debt in its sole discretion shall determine.

Section 3. The full faith and credit of the City of New Orleans are pledged for the payment of the principal of and interest on all bonds issued pursuant to this article.

Section 4. Said bonds and the interest thereon shall be exempt from all taxation for State, parish, municipal or other local purposes.

Section 5. All bonds issued hereunder shall bear such rate or rates of interest, have such terms, be in such form and denominations, have such callable features, bear such signatures, be payable at such times and places, be registered and released from registry, and be payable in such installments, all as the Board of Liquidation, City Debt, shall in its sole discretion determine.

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Section 6. All bonds issued under this article shall be sold by the Board of Liquidation, City Debt, to the bidder or bidders offering the lowest net interest cost to the City of New Orleans by sealed proposals after due advertisement in the official journal of said City, and such other advertisements, in said City or elsewhere, as the Board of Liquidation, City Debt may in its sole discretion direct; provided, said Board of Liquidation may in its sole discretion reject any and all bids.

Section 7. In case of fire, flood, pestilence, storm or other public calamity, the City of New Orleans shall have power, by a two-thirds vote of all the members of the Council of the City of New Orleans, or its successor as the governing body of said City, concurred in by a two-thirds vote of all the members of the Board of Liquidation, City Debt, to borrow money and issue and negotiate bonds in such sums as shall be necessary in any such emergency.

Section 8. If any of the general obligation bonds of the City of New Orleans outstanding at the time of the adoption of this article of the Constitution or thereafter issued pursuant to this article, are subject to redemption prior to their respective maturities, according to their terms, the Board of Liquidation, City Debt, shall have the right in its discretion

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to call and pay any of said bonds, and shall be authorized to issue and sell bonds at any time on or prior to any date upon which said bonds are subject to such redemption to provide the funds necessary for that purpose, including the expenses of issuing and selling the refunding bonds and other incidental expenses. The final maturity date of any of such refunding bonds shall not be later than the final maturity date of the bonds to be refunded, and the sum of the principal of and interest on the refunding bonds payable in each calendar year shall be less than the sum of the principal of and interest on the bonds to be refunded payable in such calendar year. Until the proceeds of the refunding bonds are required to redeem the bonds to be refunded, the refunding bond proceeds and the income from the investment thereof shall be used to pay and secure the refunding bonds, and until such time such refunding bonds shall not be payable from taxes or secured by a pledge of the full faith and credit of the City; however, if the Board of Liquidation, City Debt, irrevocably sets aside for the payment of the bonds to be refunded, refunding bond proceeds and other amounts which together with the known earned income to be earned from the investment thereof are sufficient in amount to pay the principal of and interest and any redemption premiums on the bonds

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to be refunded as the same become due, the Board of Liquidation, City Debt, may provide that the refunding bonds shall be payable from taxes levied pursuant to Section 10 and secured by a pledge of the full faith and credit of the City.

The Board of Liquidation, City Debt, may also issue general obligation bonds of the City in order to pay or discharge all or any part of the outstanding general obligation bonds of the City, including any interest thereon, in arrears or about to

become due for the payment of which sufficient funds are not available.

Section 9. Except as otherwise provided in this article, the City of New Orleans shall not borrow money, issue bonds, notes or other evidences of indebtedness or pledge its credit or anticipate the collection of any of its taxes nor shall the City make any contract or incur any debt or obligation for any purpose whatsoever unless sufficient funds, not otherwise appropriated, to pay and discharge same are actually in the treasury of said City at the time of making the contract or incurring the debt or obligation and are specifically set aside and dedicated to said purpose. The foregoing limitation and restriction shall not apply or be held to apply to any paving lien certificates issued by the City of New Orleans pursuant to the Constitution or Statutes of the State of Louisiana or the Charter of the City of New Orleans or

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to any contracts incurred with respect to the furnishing to said City of any essential municipal services such as light, heat, power, water, telephone service and garbage removal or destruction.

The said City may in any calendar year in anticipation of the collection of the taxes of such calendar year, and for the purposes for which such taxes are levied, borrow such sums as shall not be in excess of the amount of its uncollected taxes of such year and such sums shall be payable only out of the taxes of the calendar year in which said loan or loans are first made, and for which indebtedness said revenues shall be pledged, and said indebtedness shall not be payable out of any other funds.

Section 10. Payment of the principal of and interest on any and all bonds issued under this article and payment of the expenses mentioned in Section 12 hereof shall be provided for by a tax, without limitation in rate or amount, upon all taxable property in the City of New Orleans sufficient to pay the principal of and interest on said bonds and expenses as they respectively become due. The Board of Liquidation, City Debt shall select its own depository or depositories.

All taxes which may be levied for the payment of said bonds shall, day by day as collected, be paid over to said

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Board, and shall by it be applied in payment of the principal of and interest on said bonds when due, and said taxes and any other revenues in the hands of the Board of Liquidation, City Debt, may be invested as the Board of Liquidation, City Debt, in its sole discretion may determine. In case the said City, at any time, shall fail or neglect to levy and collect said tax, or in case the municipal government of the City should be abolished, or in case present territory of the City of

New Orleans should be transferred to other municipal corporations, and no proper and efficient provision is made by law to compel those municipal governments to levy and collect said taxes, or, in case said municipal corporations refuse or neglect to exercise to this end a proper and efficient taxing power bestowed upon them, then, in any of these events, the said Board of Liquidation shall itself, by proper resolution, have power to levy said tax, and to collect the same; and, in said levy and collection, to use any and all the machinery, rights, powers and authority that may be needed for such collection; and in case it should become necessary under the above mentioned or similar circumstances for the said Board of Liquidation to levy and collect said tax, and said Board should refuse or neglect to do so, any court of competent jurisdiction, shall, on application

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of any bondholder, have power to decree the levy of said special tax throughout the said territory, and to have the same collected by the sheriff, or executive officer of the court, and the proceeds applied to the payment of the interest and principal of said bonds. In case any such decree is entered, the sheriff or executive officer of the court, shall have all the powers, rights and authority that may be needed for such levy and collection.

Said Board shall have the power to sue and be sued, to have a corporate seal, to make reasonable rules and regulations for the conduct of its business, and to employ counsel and administrative personnel. None of its members shall receive any compensation for his services. They shall select a secretary, not a member of the Board, who shall hold office at the will and pleasure of the Board. The City of New Orleans shall provide, in the City Hall or elsewhere, proper offices and quarters for said Board and its officers, clerical help, books, records and archives. The salaries, office expenses, counsel fees, and the cost of printing, issuing and delivering bonds under this article shall be paid from the tax levy authorized herein. The Board shall submit to the Council of the City of New Orleans an annual report in detail of all its receipts and expenditures

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Section 11. Any committee member of said Board of Liquidation who removes his domicile from the City of New Orleans, or who is convicted of any felony, or who is declared insolvent or bankrupt, or who becomes incapacitated to perform his duties, shall forfeit his membership, and it shall be the duty of said Board to declare his membership vacant. Any committee member may be removed by a two-thirds vote of the whole Board, for misfeasance, malfeasance in office, or for

neglect of his duties as a member; or he may be removed on similar grounds by any court of competent jurisdiction at the suit of any bondholder.

Section 12. In case any one or more committee memberships shall become vacant, the Mayor of the City of New Orleans shall fill each such vacancy by selecting one committee member from a list of three nominations furnished by the remaining committee members for each such vacancy.

Section 13. The provisions hereof are self-operative, and the City of New Orleans and the Board of Liquidation, City Debt shall carry the same into effect.

Section 14. All of the substantial provisions of this article are hereby declared to be a contract between the State of Louisiana, the City of New Orleans, the tax payers of the said City and each and every holder of said bonds [in] the City of New Orleans.

ACT 544 OF 1890

- Section 1 - Create Board of Liquidation.  
This section has been retained in part and updated.
- Section 2 - Gives Board of Liquidation authority to issue bonds for negotiation or exchange only.  
Historical so it was deleted.
- Section 3 - Provided for retiring and cancelling debt at that time and authorized Board of Liquidation to sell bonds at no less than 90 c on the dollar, or exchange bonds at no greater than 90 c on the dollar.  
Historical - deleted.
- Section 4 - Provided for invalid obligations of the city and prescribed procedure for court action, if necessary.  
Historical - deleted.
- Section 5 - Transfer of all property of the city, not dedicated for public use, to Board of Liquidation for proper disposition.  
Historical - deleted.
- Section 6 - Provided that nothing in the Act to affect "Premium Bonds" that were outstanding at that time and to transfer records and collection of taxes dedicated for Premium Bonds to the Board of Liquidation.  
Historical - bonds matured 1925.
- Section 7 - Made it a felony, punishable by fine for any officer to give or misappropriate any portion of funds dedicated to debt service of bonds at that time.  
Historical - recreated in later acts.
- Section 8 - Use of surplus of debt tax collection and sale of property to retire any other bonds and have them cancelled.  
Historical - all bonds matured years ago.
- Section 9 - Prescribe manner of registration of bonds as to principal and interest by cancelling coupons and bonds and issuing a certificate of redemption.  
Historical - later acts provide for present form of registration.
- Section 10 - City to provide office space for Board of Liquidation; office expenses and expenses of engraving bonds, printing and issuing paid out of funds dedicated to bonded debt. No member of board to receive any compensation.  
Provided in new draft but updated.
- Section 11 - Council required to levy an annual tax for payment of principal & interest in full when due.  
Provided in current draft.

Act 110 of 1890

- Section 1 - Provided for issuance of \$1,000,000 to pay out and redeem bonded debt. Based Constitutional bonds (4 c).  
Historical - bonds matured 1964.
- Section 2 - Provided for advertisement of sale of bonds authorized in Section 1.  
Historical.

- Section 3 - Board to select a fiscal agent and deposit bond proceeds in said bank in a special account.  
Historical.
- Section 4 - Provided for payment of out standing bond and prescribed the manner in which they are to be accounted for.  
Historical.
- Section 5 - Provided for exchange of unsold Constitutional and other outstanding bonds and prescribed the manner to account for same.  
Historical.
- Section 6 - Cancel all bonds exchanged or bought and paste them in books.  
Historical - these books were transferred to Louisiana State House in 1970.
- Section 7 - Levy of the 1 1/2 debt tax to pay interest and principal on Constitutional bonds and provided for payment to Board of Liquidation day by day as collected. Provide for power of Board to levy and collect if City failed and for a bondholder to go to court in the event the Board of Liquidation failed to do so.  
Practically all of this retained in current draft except not limited to 1 1/2; no draft provides unlimited tax in event debt service required it.
- Section 8 - Provided for the redemption by call of premium bonds until 1925 and after that for redemption by call of Constitutional bonds. Any surplus to be divided equally between school board and "Permanent Public Improvement Fund."  
Historical in part since bond was matured in 1925 and 1926. Amended by Act 4 of 1916 dividing the surplus equally between City of New Orleans and Public Improvement Fund of the Board of Water Board.
- Section 9 - Prescribed the number of bonds to be called beginning in 1926.  
Historical - all matured.
- Section 10 - Provided for payment out of Public Improvement Fund for cost of bonds, coupons, discounts, interest, and other such public improvements.  
Historical - amended by later acts.
- Section 11 - Provided for issuance of Board of Liquidation bonds provided Section 10 of Act 544 of 1890 relative to interest coupons and collection.  
Updated and included in Section 10 of new draft.
- Section 12 - Amended Section 7 of Act 544 of 1890 to give to a Board of Liquidation authority to cover debt by borrowing and provide for a call on all bonds of a bonded debt.  
Updated and provided for in Section 11 of this draft.
- Section 13 - Provided for rule for retiring bonds.  
Provided for in Section 9 of Act 4 of 1916 and in Section 5 of new draft.
- Section 14 - Constitutional bonds shall be exempt from taxation for state, parish and municipal purposes.  
Incorporated in Section 4 of new draft but refer to present and future bonds.
- Section 15 - All - Union of 110 of 1890 to contract between State, City, tax-payers, and City and bond holders of Constitutional bonds.  
Section 14 of new draft covers this section.
- Section 16 - Refer to bonds issued under Act 58 of 1890.  
Historical - deleted.
- Section 17 - Provides that nothing in Act 110 of 1890 shall affect or disturb, in any manner, the existing right to issue or service the outstanding "Premium Bonds."  
Historical, since bonds have matured.
- Section 18 - State when provisions are to go into effect and repeals all laws in conflict.  
Historical - deleted.
- Section 19 - City to issue \$1,000,000 authorized in Section 1 of 1890, \$500,000 serially paid bonds.  
Historical - bonds matured.
- Section 20 - Application of proceeds of \$3,000,000.  
Historical.

Section 3 - Authorizes City to sell additional bonds as Board of Liquidation may determine.

Historical.

Section 4 - Prescribes how bonds are to be issued; that is when approved by majority in number and amount of property taxpayers of City.

This was amended by Act 377 of Legislature of 1970 by eliminating property taxpayers and substituting registered voters. Also provided for in Section 2 of this draft.

Section 5 - Authorizes emergency bonds.

Included in Section 7 of new draft.

Section 6 - Allows City to issue refunding bonds and prescribes limitations.

Included in Section 8 of new draft.

Section 7 - Provides for pledge of full faith and credit on said bonds. Also provides for payment of interest and principal out of 1/2 surplus of 1/2 Debt Tax levied under Act 110 of 1890 for School Board purposes. Also provides for a tax levy for Debt Service when 1/2 Debt Tax ceases to be collected, which was 1950.

Section 10 provides for tax levy for future.

Section 8 - Continues dedications of Taxes levied by Act 110 of 1890 and Act 6 of 1899 with a caption of 1/2 surplus previously dedicated to School Board now dedicated to City Bonds. That any surplus in the 1/2 surplus used for Debt Service be turned over to the City for general operations. That if in future these or any other funds prove to be insufficient to pay principal and interest, then City shall levy a tax upon all taxable property sufficient to pay Debt Service.

Historical in part, particularly since 1/2 debt tax ceased to exist and surplus for 1950 and prior years is insignificant amounts.

Unlimited taxation is provided for in Section 10 of new draft.

Section 9 - Provides for payment of principal and interest in Gold Coin, investment for trusts, etc deposit as collateral; and recording.

Historical as to Gold Coin Investments by trusts, etc; deposit as collateral not included in present draft.

Registering of bonds included in Section 5 of new draft.

Section 10 - Prescribes rates of interest and annual debt service including notes, debentures, signatures on bonds and coupons; cost of preparation and selling bonds.

Provided for in Section 5 of new draft.

Section 11 - Prescribes rate of bonds by bid and disposes also of the same in official payment and discharge.

Provided for in Section 5 of new draft.

Section 12 - Includes City from borrowing, note, or other bonds or notes or debentures or certificates for the collection of taxes.

Provided for in Section 5 of new draft.

Section 13 - Provides for the collection of taxes and the collection of taxes.

Provided for in Section 5 of new draft.

Section 14 - Provides for the collection of taxes and the collection of taxes.

Section 15 - Provides for the collection of taxes and the collection of taxes.

This section was amended by Act 534 of 1966 raising limit to 1977, 1/2 City levied tax at 100% of assessed value; and was amended by Act 576 of 1968 raising limit to 1977, 1/2 City levied tax at 100% of full assessed value.

No provision for limitation in new draft.

Section 16 - Prescribes duties of Board of Liquidation.

Provided for in Section 10 of new draft.

Section 17 - Provides for 6 1/2 mill for general fund operations of City and 10 mill for bonded debt or appropriate shall not exceed 16 1/2 mill.

Amended by Act 525 of 1966 dedicating 16 1/2 mill for combination of general fund and bonded debt purposes, and when levy for bonded debt purposes exceeds 10 mill, the levy for general fund would be reduced by that excess.

Taxes for bonded debt purposes are provided for in Section 10 of new draft without limitation in rate or amount.

Section 18 - Repeals Section 40 of Act 159 of 1917.

Historical -

Sections 17 - 20 - Pertain to School Board.

Not included in present draft.

Section 21 - Provisions self-operative and City, Boards and Bodies shall carry same into effect.

Provided for in Section 13 but refer only to City carrying same into effect. (What about Board of Liquidation?)



MOON LANDRIEU  
MAYOR

CITY OF NEW ORLEANS  
OFFICE OF THE MAYOR

May 4, 1973

Mr. Chalin Perez, Chairman  
Committee on Local and Parochial  
Government of the Constitutional Convention  
Baton Rouge, Louisiana

Dear Mr. Perez:

It has been brought to our attention that there is some concern in your committee relative to the late of Article XIV, Section 25, entitled "New Orleans: special tax for fire and police departments."

We understand that some assurance has been requested from the City Administration to safeguard the incomes of New Orleans Police and Firemen in the event that this section is deleted from the Constitution.

May this letter then serve as assurance that if Article XIV, Section 25 is deleted from the Constitution, then the City Administration and the Civil Service Commission will implement a revised pay plan for New Orleans Police and Firemen to include the incomes derived from the three (3) mills provided by Article XIV, Section 25.

It is our hope that this section will be deleted from the Constitution, as we are opposed to any constitutional dedication of millage for the City of New Orleans.

May we also request that our present level of millage be safeguarded, in the event that your committee delete all sections concerning dedicated millage from the Constitution. We only ask that the City of New Orleans be able to determine its own priorities with the resources available to us. Any dedicated revenues in the Constitution only encumber our priority-making capacity.

"An Equal Opportunity Employer"

Mr. Chalin Perez

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May 4, 1973

I thank the committee for considering this request and again I wish you good luck in your endeavours.

Sincerely,

*Moon Landrieu*  
Moon Landrieu  
Mayor

ML:skm

cc: Honorable Johnny Jackson

Enclosure

RICHARD W. FREEMAN PRESIDENT SAM ISRAEL VICE PRESIDENT ARNOLD R. BUCKLEY PRESIDENT PRO TEM WALTER H. BIRTH SECRETARY KENNETH F. GUTH ASST. SECRETARY

MEMBERS OF BOARD  
RICHARD W. FREEMAN  
SAM ISRAEL  
ARNOLD R. BUCKLEY  
WALTER H. BIRTH  
KENNETH F. GUTH  
J. BERNARD GIBSON  
MOON LANDRIEU  
JAMES A. WINTERKORN

Board of Liquidation, City Debt

ROOM 202 CITY HALL  
1300 PERDUE STREET

New Orleans La. 70112

AREA CODE 504  
522-4151  
522-4311 EXT. 291

May 14, 1973

Mr. Chalin Perez, Chairman, and  
Members, Committee on Local and  
Parochial Government  
Constitution Convention of 1973  
Post Office Box 1740-A  
Baton Rouge, Louisiana 70803

Dear Mr. Perez and Members:

Enclosed for your consideration is the latest revised draft of the proposed section of the Louisiana Constitution providing for the Board of Liquidation, City Debt.

This draft retains the basic principles of the previous draft and deletes such provisions as can be specified at a later date by legislation.

Sincerely,

BOARD OF LIQUIDATION, CITY DEBT

*Charles M. Biehl*

Secretary

CMR:JAV  
ENC.

Section 1. The City of New Orleans may issue and negotiate its bonds when authorized by a vote of a majority of the qualified voters in the City of New Orleans who vote at an election called by ordinance adopted by a vote of two-thirds of all the members of the Council of the City of New Orleans, or its successor as the governing body of said City of New Orleans, and approved by a vote of two-thirds of all the members of the Board of Liquidation, City Debt. If said ordinance is not approved by the Board of Liquidation, City Debt, as herein specified, such election may nonetheless be called if two-thirds of all the members of the Council of the City of New Orleans or its successor as governing body of the City of New Orleans thereafter so vote, provided, however, that the ballot for such election shall contain appropriate notice, approved by the Board of Liquidation, City Debt, that the Board has not approved the submission of the issue to the voters.

In case of fire, flood, pestilence, storm or other public calamity, the City of New Orleans shall have power, by a two-thirds vote of all the members of the Council of the City of New Orleans, or its successor as the governing body of said City, concurred in by a two-thirds vote of all the members of the Board of Liquidation, City Debt, to borrow money and issue and negotiate bonds in such sums as shall be necessary in any such emergency.

Section 2. Payment of the principal of and interest on any and all bonds issued under this article and payment of the expenses mentioned in Section 4 hereof shall be provided for by a tax, without limitation in rate or amount, upon all taxable property in the City of New Orleans sufficient to pay the principal of and interest on said bonds and expenses as they respectively become due. Such taxes shall, day by day as collected, be paid over to the Board of Liquidation, City Debt, and shall by it be applied in payment of the principal of and interest on said bonds when due. If the responsible officers of the City at any time shall fail or neglect to levy and collect said tax, the Board of Liquidation shall itself, by proper resolution, have power to levy said tax, and to collect the same; and, in said levy and collection, to use any and all the machinery, rights, powers and authority that may be needed for such collection.

Section 3. Except as provided in Section 1 of this article, the City of New Orleans shall not borrow money, issue bonds, notes or other evidences of indebtedness or pledge its credit or anticipate the collection of any of its taxes nor shall the City make any contract or incur any debt or obligation for any purpose whatsoever unless sufficient funds, not otherwise appropriated, to pay and discharge same are actually in the treasury of said City at the time of making the contract or incurring the debt or obligation and are specifically set aside and dedicated to said purpose. The foregoing limitation and restriction shall not apply or be held to apply to

(a) paying lien or other special assessment bonds or certificates issued pursuant to the statutes of the State of Louisiana or the Charter of the City of New Orleans, whether or not additionally secured by a pledge of the faith and credit of the City;

(b) contracts incurred with respect to the furnishing to said City of any essential municipal services such as light, heat, power, water, telephone service and garbage removal or destruction;

(c) borrowings in any calendar year in anticipation of the collection of the taxes of such calendar year, and for the purposes for which such taxes are levied, payable only out of such taxes; and

(d) refunding bonds.

Section 4. The Board of Liquidation, City Debt, consisting of the permanent committee of six citizens of said City, the Mayor, and the two-at-large Councilmen, or their successors in office at any given time, shall continue to be in existence while any bonds authorized by this article are outstanding and unpaid, shall be a body politic and corporate, and, except as provided in Section 1, shall have exclusive control and direction of all matters relating to the bonds authorized in said section.

In case any one or more committee memberships shall become vacant, the Mayor of the City of New Orleans shall fill each such vacancy by selecting one committee member from a list of three nominations furnished by the remaining committee members for each such vacancy.

Any committee member of said Board of Liquidation who removes his domicile from the City of New Orleans, or who is convicted of any felony, or who is declared insolvent or bankrupt, or who becomes incapacitated to perform his duties, shall forfeit his membership, and it shall be the duty of said Board to declare his membership vacant. Any committee member may be removed by a two-thirds vote of the whole Board, for misfeasance, malfeasance in office, or for neglect of his duties as a member; or he may be removed on similar grounds by any court of competent jurisdiction at the suit of any bondholder.

Said Board shall have the power to sue and be sued, to have a corporate seal, to make reasonable rules and regulations for the conduct of its business, and to employ counsel and administrative personnel. None of its members shall receive any compensation for his services. They shall select a secretary, not a member of the Board, who shall hold office at the will and pleasure of the Board. The City of New Orleans shall provide, in the City Hall or elsewhere, proper offices and quarters for said Board and its officers, clerical help, books, records and archives. The salaries, office expenses, counsel fees, and the cost of printing, issuing and delivering bonds under this article shall be paid from the tax levy authorized herein. The Board shall submit to the Council of the City of New Orleans an annual report in detail of all its receipts and expenditures.

Section 5. The Legislature may enact general laws, or special laws applicable solely to the City of New Orleans, consistent with this article in order to prescribe additional provisions with respect to the issuance of bonds by the City and otherwise to carry out the authority herein granted.

- 2 -



ST. JAMES BANK & TRUST COMPANY

May 15, 1973

Committee on Local and Parochial Government  
Constitutional Convention  
State of Louisiana  
P. O. Box 17740-A  
Baton Rouge, Louisiana 70803

Gentlemen:

It is my understanding that your committee has taken a position that may cause serious economic problems to the residents of St. James Parish. This is in reference to your committee attempting to exclude the South Louisiana Port Commission and only recognizing the Port Authorities of New Orleans, Baton Rouge and Lake Charles.

Our South Louisiana Port Commission is the authority for not only St. James, but St. John and St. Charles Parishes as well. It is very obvious as to the uniqueness and desirable location of this authority area, mid-way between New Orleans and Baton Rouge. It is reasonable to assume that any growth would most certainly encompass this area. It is common knowledge that to be treated differently in the new constitution will certainly put this authority at a disadvantage.

Everyone realizes the importance of your committee, especially in your attempt to reduce the size of the constitution. Still it would certainly be an oversight to leave out an area so ideally located.

Please consider the future possibilities of growth in our state and also consider St. James Parish and the South Louisiana Port Commission.

Sincerely,

*Wayne Rohdeaux*  
Wayne Rohdeaux  
President

WR:ml

POST OFFICE BOX 400 LUTCHER LOUISIANA 70071

[255]



DEPARTMENT OF THE ARMY  
 NEW ORLEANS DISTRICT, CORPS OF ENGINEERS  
 P. O. BOX 60267  
 NEW ORLEANS, LOUISIANA 70160

LMNEX

15 May 1973

Honorable Chalin O. Perez, President  
 Plaquemines Parish Commission Council  
 821 Gravier Street  
 New Orleans, Louisiana 70112

Dear Chalin:

Attached is a copy of a presentation I prepared and presented to Senator Lambert's Natural Resources and Environmental Committee at the Constitutional Convention on 7 May 1973.

Colonel Hunt had been asked to appear but was not able to due to the present high-water business. The presentation was apparently well received. Some questions followed--the most important of which was whether we felt it essential that all levee boards be included in the constitution or whether we could operate satisfactorily in the manner in which they are now set up. I responded to the effect that our principal interest was that levee boards working with us and acting as assuring agencies on projects should be so constituted that their authorities could not be easily changed with change in the political wind. I did state specifically that we would anticipate no problem if they were included in the constitution.

Sincerely yours,

W. B. DODD  
 Executive Assistant

1 Incl  
 As stated

BUT--THE AREAS DESIGNED TO BE PROTECTED BY THE WORLD'S GREATEST MANMADE FLOOD CONTROL SYSTEM, THE MISSISSIPPI RIVER AND TRIBUTARIES PROJECT, ARE BEING PROTECTED AND A GREAT DEAL OF CREDIT FOR THIS ACCOMPLISHMENT IN LOUISIANA IS DUE TO THE LOUISIANA LEVEE BOARDS AS THEY ARE NOW CONSTITUTED.

FOR YOUR PURPOSES, I MUST GO INTO THIS STATEMENT. THE 1928 FLOOD CONTROL ACT AND SUBSEQUENT KINDRED LEGISLATION, PLACED UPON THE FEDERAL GOVERNMENT THE RESPONSIBILITY OF FLOOD-PROOFING THE LOWER MISSISSIPPI VALLEY. THIS LEGISLATION, HOWEVER, PLACED SPECIFIC RESPONSIBILITIES ON THE STATES AND PEOPLE BENEFITING FROM THE PROJECT. THE RESPONSIBILITIES ARE GENERALLY REFERRED TO AS THE "a-b-c's" OF LOCAL INTEREST PARTICIPATION AND ORIGINALLY INCLUDED ACQUISITION OF RIGHTS-OF-WAY NECESSARY FOR THE FLOOD CONTROL PROJECTS, MAINTENANCE, AND IN MANY CASES, OPERATION OF FLOOD CONTROL PROJECT FEATURES AFTER THEIR COMPLETION, AND PROTECTING THE FEDERAL GOVERNMENT FROM ACTIONS RESULTING FROM CONSTRUCTION OF FLOOD CONTROL PROJECTS. TO THESE INITIAL RESPONSIBILITIES HAVE BEEN ADDED THOSE OF FLOOD-FIGHTING, COMPLIANCE WITH PUBLIC LAW 91-646, THE UNIFORM RELOCATIONS AND ASSISTANCE ACT, AND OTHER REQUIREMENTS OF THE STATE AND LOCAL INTERESTS. IN LOUISIANA, THESE RESPONSIBILITIES BECAME THOSE OF THE LEVEE BOARDS.

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"THIS COUNTRY WAS REMINDED THIS YEAR THAT RECORD FLOODS ARE STILL POSSIBLE. A COORDINATED, WELL-MAINTAINED SYSTEM OF PROTECTIVE WORKS IS JUST AS NECESSARY TODAY IN THE LOWER VALLEY AS IT WAS, SAY IN 1927 MORESO, BECAUSE OF THE GREAT HAZARD TO PROPERTY AND LIFE IN VIEW OF THE BUILD-UP WHICH HAS TAKEN PLACE SINCE THAT TIME.

"I HAVE TAKEN OFFICIAL NOTICE OF THE CURRENT RIVER STAGES WHICH ARE SOME 8-10 FEET ABOVE THEIR 'NORMAL' LEVELS. WITH SUCH A HIGH-STAGE STARTING POINT, IF WE HAVE JUST NORMAL WINTER RAINS AND SNOWS IN THE VAST AREA DRAINED BY THE MISSISSIPPI RIVER, THEN THE MAIN STEM OF THE MISSISSIPPI MAY WELL BE AT OVERBANK STAGES NEXT SPRING. THIS RAISES THE POSSIBILITY THAT GIVEN HIGH ENOUGH RIVER STAGES, WE MAY BE USING THE BONNET CARRE FLOODWAY JUST ABOVE NEW ORLEANS FOR THE FIRST TIME IN 22 YEARS. IF INSTEAD OF JUST NORMAL WINTER RAINS WE HAVE UNUSUALLY HEAVY RAINS AND RAPID SNOW RUNOFF, THEN WE MUST BE PREPARED FOR A VERY TURBULENT SPRING SEASON." END OF QUOTE.

WE HAVE HAD UNUSUALLY HEAVY RAIN THROUGHOUT THE MISSISSIPPI RIVER WATERSHED AND THIS SPRING, TO PUT IT MILDLY, HAS BEEN "TURBULENT." LOUISIANA IS BEING SUBJECTED TO WHAT MAY WELL TURN OUT TO BE ITS WORST FLOOD IN HISTORY.

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AND WE MUST SAY FROM THE CORPS OF ENGINEERS STANDPOINT THE LOUISIANA LEVEE BOARDS HAVE, TO AN OVERWHELMING DEGREE, MET THE RESPONSIBILITIES IMPOSED BY FEDERAL LAW ADMIRABLY. FACTUALLY, THE LOUISIANA SYSTEM OF LEVEE BOARD OPERATION, WITH THE TECHNICAL ENGINEERING GUIDANCE OF THE LOUISIANA DEPARTMENT OF PUBLIC WORKS, IS THE ENVY OF ALL CORPS DISTRICTS.

WE BELIEVE THAT THE SECRET OF THE EFFECTIVENESS OF THE LOUISIANA LEVEE BOARDS LIES IN THE FACT THAT THEY ARE COMPOSED OF LOCAL PEOPLE WHO ARE FAMILIAR WITH LOCAL CONDITIONS, LOCAL PROBLEMS AND NEEDS, AND THE LOCAL PEOPLE THEY HAVE TO DEAL WITH. THAT THEY KNOW WHO TO GO TO LOCALLY FOR WHATEVER IS NEEDED UNDER ANY PARTICULAR SET OF CIRCUMSTANCES; THAT THEY ARE MOTIVATED BY THE REQUIREMENTS TO PROTECT "THEIR" PEOPLE AND; THAT THEY OPERATE UNDER ESTABLISHED LAWS THAT ARE WELL KNOWN AND NOT SUBJECT TO CHANGE WITH EACH SHIFT OF POLITICAL WINDS.

AND WE WOULD LIKE TO ASSURE YOU THAT AT NO TIME HAS THE EFFECTIVENESS OF THE LOUISIANA LEVEE BOARDS BEEN MORE EVIDENT THAN DURING THE EXISTING HIGH-WATER CRISIS. FACTUALLY, WE--THE CORPS, THE LEVEE BOARDS, AND THE DEPARTMENT OF PUBLIC WORKS MOVED INTO A TEAM-TYPE OPERATION WITH THE COMING OF HIGH WATER THAT COULD ONLY COME INTO BEING THROUGH A COMPLETE AND LONG-TIME FAMILIARITY WITH EACH OTHER'S

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RESPONSIBILITIES, AUTHORITIES, AND METHODS OF OPERATION. AS A RESULT OF THE COOPERATIVE CARRYING OUT OF THEIR RESPONSIBILITIES BY THE LEVEE BOARDS WE KNOW, ON A CONTINUING BASIS, THE CONDITION OF EVERY MILE OF THE 974 MILES OF LEVEES INCLUDED IN THE MISSISSIPPI RIVER AND TRIBUTARIES PROJECT IN LOUISIANA. WE KNOW THAT MANY OF THE SEEPAGE AND EROSION PROBLEMS THAT ARE BOUND TO ARISE DURING PERIODS SUCH AS THOSE ARE GOING TO BE EFFICIENTLY TAKEN CARE OF BY THE LEVEE BOARDS --TO THE FULL EXTENT OF THEIR CAPABILITY. AND OF MAJOR IMPORTANCE, WE KNOW THAT OUR LEVEE SYSTEMS ARE IN THE BEST POSSIBLE SHAPE BECAUSE OF THEIR BEING PATROLLED AND PROPERLY MAINTAINED BY THE LEVEE BOARDS DURING ORDINARY TIMES BETWEEN HIGH WATERS.

WE WOULD BE REMISS IN TALKING ABOUT THE EFFECTIVENESS OF LOUISIANA LEVEE BOARDS IF WE DID NOT CITE THREE TYPICAL EXAMPLES OF THEIR EFFECTIVENESS. IN EARLY APRIL, EROSION OF A WEAK SAND STRATA SOME 60 FEET BELOW THE SURFACE OF THE RIVER CAUSED A SLOUGHING OFF OF SOME 600 FEET OF BANK IN FRONT OF MONTZ, LOUISIANA, A SMALL COMMUNITY ABOUT 25 MILES NORTH OF NEW ORLEANS. THE CAVING BANK THREATENED THE MAIN LINE LEVEE AND REQUIRED CONSTRUCTION OF A SETBACK LEVEE. THE PONTCHARTRAIN LEVEE BOARD STEPPED IN IMMEDIATELY AND ON

5  
REQUEST, ACQUIRED THE RIGHTS-OF-WAY NEEDED FOR THE SETBACK, SUPERVISED THE RELOCATION OF SOME 40 FAMILIES FROM THE AREA, AND GENERALLY ASSISTED IN THE EXPEDITIOUS CONSTRUCTION OF THE SETBACK. AT NAIRN, LOUISIANA, IN PLAQUEMINES PARISH, ANOTHER SUBSURFACE EROSION PROBLEM CAUSED A SLOUGHING OFF OF SOME 200 FEET OF THE FACE AND PART OF THE CROWN OF THE FRONT LINE LEVEE THAT PROTECTS THAT AREA. WE PROCEEDED IMMEDIATELY TO THE SCENE, BY AIR, AND ON ARRIVAL FOUND THE PLAQUEMINES PARISH COMMISSION COUNCIL, WHICH IS ALSO THE BURAS LEVEE DISTRICT, MOBILIZING EQUIPMENT AND PERSONNEL AND READY TO JOIN US IN FIGHTING A CRITICAL SITUATION. WE WORKED SIDE BY SIDE AS PARTNERS IN THAT EFFORT AND, IN 3 DAYS, BUILT A SETBACK NECESSARY TO PROTECT THE AREA. LAST WEEK, SUBSURFACE EROSION AGAIN CREATED A SERIOUS PROBLEM IN FRONT OF THE HERCULES CHEMICAL PLANT ABOUT 3 MILES DOWNSTREAM FROM PLAQUEMINE. ANOTHER SETBACK WAS INEVITABLE. WE CALLED ON THE ATCHAFALAYA BASIN LEVEE BOARD FOR RIGHTS-OF-WAY FOR THE LEVEE AND FOR A SUITABLE BORROW AREA. BOTH WERE PROMPTLY FURNISHED. AND THE LEVEE BOARD IS STANDING BY TO RENDER ANY OTHER ASSISTANCE NEEDED. THESE ARE ONLY THREE INCIDENTS. THERE WILL BE OTHERS, AND FROM EXPERIENCE, WE ARE CONFIDENT THAT THE LOUISIANA LEVEE BOARDS WILL REACT DURING THESE EMERGENCIES AS EFFECTIVELY AND AS EFFICIENTLY AS THEY HAVE DONE WITH US DURING ROUTINE TIMES.

I HAVE ONLY MENTIONED THOSE LEVEE BOARDS INVOLVED IN THE MISSISSIPPI RIVER AND TRIBUTARIES PROJECT TODAY, PRIMARILY BECAUSE THIS IS THE PROJECT OF MAJOR INTEREST AT THE MOMENT. THERE ARE OTHER LEVEE BOARDS ON THE RED RIVER, THE OUCHITA AND THE BLACK, AND ELSEWHERE IN THE STATE. OUR EXPERIENCE WITH THEM HAS BEEN AS FAVORABLE AS WITH THOSE ON THE MISSISSIPPI. WE ARE GLAD THEY ARE ALL AVAILABLE AND FUNCTIONING, BOTH DURING LOW- AND HIGH-WATER TIMES.



EDMOND E. KINLER, JR

CLERK OF COURT AND EX-OFFICIO RECORDER  
AND NOTARY PUBLIC  
PARISH OF ST. JAMES  
CONVENT, LOUISIANA 70723

May 16, 1973

PHONE 562-7217  
562-7263



Committee on Local and Parochial Government  
Constitutional Convention  
State of Louisiana  
P.O. Box 17740-A  
Baton Rouge, Louisiana 70803

Gentlemen:

It has been called to my attention that your Committee has taken the position that the South Louisiana Port Commission be eliminated or excluded from the New Constitution provisions; but that Baton Rouge, New Orleans and Lake Charles Port Authorities be included or retained therein.

It is my opinion that this not only reflects discriminatory treatment towards our rural area but will in no doubt effect the orderly function of the retained port authorities.

Certainly, the South Louisiana Port Commission serving a multi-parish area which lies between two of our State's largest cities is the future of the River and of the entire Port development of this State.

On behalf of the residents of St. James Parish and in the interest of our State's future, I would appreciate and urge you to reconsider your position and to retain the South Louisiana Port Commission in the new Louisiana Constitution.

Very truly yours,

*Edmond E. Kinler, Jr.*  
Clerk of Court

EEK/s  
cc.

### The Board of Levee Commissioners

### Orleans Levee District

200 WILDELL AND CLERMONT BUILDING  
410 BUREAU STREET

New Orleans, La.  
70130

May 16, 1973



CHAS. F. LEMMON, PRESIDENT  
CLAUDE W. BOURG, PRES. PRO TEM  
OSWELL P. RILEY, JR.  
JOHN D. LAWSON, JR.  
MORON LANDRIG  
BERNIE R. SANDER  
JAMES C. SCALAP

PROTECTING YOU  
AND YOUR FAMILY

EDMOND J. MULLINS  
CLERK OF DISTRICT  
JOHN P. MCFARLAND  
CHIEF ENGINEER  
GEORGE J. LEBLANC  
EXECUTIVE ADMINISTRATOR

The Honorable Chalin G. Perez, Chairman  
Local & Parochial Government Committee  
Constitutional Convention 1973  
1806 Commerce Building  
821 Gravier Street  
New Orleans, Louisiana 70112

Dear Mr. Perez:

Several events have occurred since I was allowed to testify to your committee, which bear directly upon my original testimony.

The first of these is the large flood fight that Levee Boards have been conducting across the state. In the case of the Orleans Levee Board we have already spent in excess of 150,000 unbudgeted dollars with the likelihood of expending an additional \$100,000. This unexpected expenditure points out the need for Levee Boards to be able to raise emergency funds when necessary without having to wait for Legislative or voter approval.

Subject, of course, to certain rules and regulations Boards required to spend large sums to fight an unexpected emergency such as a high river or hurricane flood should have some right to declare an emergency, or have the Governor declare an emergency, so that they could increase their taxing power to cover funds spent in the emergency.

The second event now occurring places emphasis upon my suggestion that the right of Levee Boards to raise and spend their funds be protected by the Constitution. Several bills have been entered, or plan to be entered, in this Legislative session which would transfer vast funds from the Orleans Levee Board to other agencies. The possibility of such legislation passing during



**SOUTH LOUISIANA  
PORT COMMISSION**  
PARISHES OF ST CHARLES, ST JOHN, ST JAMES

729-3164

STUART E. CREEL  
President  
P. O. Box 87  
Harrison, La.  
RAYMOND G. LAROUX  
Vice Pres.  
WILLIS J. ROUBIER, JR.  
Sec. Treas.  
COMMISSIONERS  
STUART E. CREEL  
LE FRENCH CURTIS  
FREDRICK GIANGROSSO  
RAYMOND G. LAROUX  
HENRY J. HYNEL  
WILLIS J. ROUBIER, JR.  
GERALD ALEXANDER  
ROY BOULLARD  
CHARLES SMITH, JR.

May 15, 1973

Board of Levee Commissioners  
Orleans River District

The Honorable Chalin O. Perez  
Page 2  
May 16, 1973

this year of a record flood is small, but there is a real possibility of the passage of such legislation after four, five or ten years without the occurrence of this danger from flooding.

This points out the need to protect the Orleans Levee Board's funds by placing the funds under some protection requiring 2/3 or 3/4 vote of the Legislature to change.

Respectfully submitted,

*Stuart E. Creel*  
STUART E. CREEL,  
PRESIDENT

GFL/jen

cc: All Committee Members

Honorable Chalin Perez, Chairman  
Committee on Local and Parochial Government  
State of Louisiana  
P.O. Box 17740-A  
Baton Rouge, Louisiana 70803

Dear Mr. Perez:

Attached is certified copy of a resolution adopted by the South Louisiana Port Commission at its regular meeting held on the 8th day of May 1973. The resolution ratifies the appearance of the undersigned before the Committee on Local and Parochial Government and makes formal the request that the South Louisiana Port Commission remain in the new Louisiana Constitution. The resolution further sets forth the reasons for this request.

We will welcome the opportunity to meet with you for the purpose of furnishing any additional information that may be needed.

Your favorable consideration will be appreciated.

Yours truly,

*Stuart E. Creel*  
Stuart E. Creel  
President

SEC/at

The following resolution was offered by Mr. Gianguozzo and seconded by Mr. Alexander:

RESOLUTION:

A resolution ratifying the appearance of the President of the South Louisiana Port Commission before the Committee on Local and Parochial Government and making formal request upon said Committee to retain the authority of the South Louisiana Port Commission in the proposed new Louisiana Constitution.

WHEREAS, at the request of the Committee on Local and Parochial Government, the President of this Commission appeared before said Committee on March 17, 1973, for the purpose of expressing the views of this Commission orally and in writing on the proposed revisions to the Louisiana Constitution relative to the organization and authority of ports and port commissions; and

WHEREAS, this Commission desires to ratify and confirm the statements and declarations made by its President, S. E. Creel, to said Committee and the written statement presented to said Committee; and

WHEREAS, this Commission has learned that the Committee on Local and Parochial Government will recommend that the provisions of Article VI, Section 33.1 of the Louisiana Constitution for the year 1921, as amended, be deleted from the proposed new Louisiana Constitution and that such provisions be incorporated in a legislative enactment, without constitutional sanction; and

WHEREAS, this Commission further understands the said Committee on Local and Parochial Government has recommended that the authority of the Lake Charles Harbor and Terminal District, the Greater Baton Rouge Port Commission and the Board of Commissioners of the Port of New Orleans be retained in the proposed new Louisiana Constitution, and that all constitutional provisions pertaining to the remaining port commissions and port authorities heretofore established in this State be deleted from the new Louisiana Constitution; and

Very truly yours,

*Chalin O. Perez*  
CHALIN O. PEREZ, Chairman  
Committee on Local and Parochial Government

Mr. Terry R. Reeves, Chairman  
Subcommittee on Special Districts; Transportation  
P. O. Box 333  
Winnfield, Louisiana 71483

Dear Mr. Reeves:

Enclosed for your consideration is copy of letter received from South Louisiana Port Commission with its recommendations concerning that port authority and other port authorities.

GOP/jr

cc: Mr. Frank Ullo  
Mr. Harvey Cannon  
Mr. Ethan Chatelain  
Mr. George Devey Hayes

STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 STATE CAPITOL, BATON ROUGE, LOUISIANA 70804



May 21, 1973

E. L. HENRY, CHAIRMAN

WHEREAS, this Commission is of the opinion that its corporate boundaries, geographical location, the existing industrial development and potential area for industrial growth and development within its boundaries,

are such that its authority and powers should stem from the Louisiana Constitution, rather than pure legislative enactment, and that this Commission should be placed on an equal basis with the Greater Baton Rouge Port Commission and the Board of Commissioners of the Port of New Orleans; and

WHEREAS, this Commission desires to present this resolution to the Committee on Local and Parochial Government with a request that said Committee reconsider its position and include in the proposed new Louisiana Constitution the organization and authority of the South Louisiana Port Commission;

NOW, THEREFORE, BE IT RESOLVED, by the South Louisiana Port Commission:

Section 1. That the oral declarations and written statements presented by the President of this Commission to the Committee on Local and Parochial Government on March 17, 1973, at the request of said Committee, be and the same are hereby ratified and confirmed.

Section 2. That formal request be and the same is hereby made upon the Committee on Local and Parochial Government to retain in the proposed new Louisiana Constitution all of the provisions of Article VI, Section 33.1 of the Louisiana Constitution for the year 1921, as amended, being the present constitutional authority for the organization, authority and powers of the South Louisiana Port Commission.

Section 3. That in support of the position taken by this Commission in Section 2 of this resolution, the Committee on Local and Parochial Government is requested and urged to consider the following:

- (a) The South Louisiana Port Commission lies between the southern boundary line of the Greater Baton Rouge Port Commission and the northern boundary line of the Port of New Orleans and encompasses both the east and west bank of the Mississippi River between the aforesaid northern and southern boundaries.
- (b) The South Louisiana Port Commission is a multiparish port commission comprising the Parishes of St. Charles, St. John the Baptist and St. James. The only other multiparish port authorities in the State of Louisiana are those three which the Committee on Local and Parochial Government has recommended for inclusion in the proposed new Louisiana Constitution and it is discriminatory to exclude the sole remaining multiparish port commission.
- (c) The South Louisiana Port Commission will be placed at a serious disadvantage, both economically and financially, with the Baton Rouge and Orleans port authorities, both of which will be constitutionally created port authorities.
- (d) The sole remaining area along the Mississippi River which is feasible for port development lies solely within the jurisdiction of the South Louisiana Port Commission and it is to the economic benefit and advantage of this State that said area be treated equally with already developed port areas located to the north and to the south.
- (e) There is presently located within the geographical port boundaries of the South Louisiana Port Commission high industrial developments, all of which are continuing to expand, and the investment values thereof probably exceed all other industrial plants and facilities located in other port authorities of the State. To place the South Louisiana Port Commission at a significant disadvantage by granting it less constitutional authority than the other three major port commissions will retard and diminish the economic growth and development of the three parish area.

Section 4. That the President of this Commission be and he is hereby directed to forward a certified copy of this resolution to each member of the Committee on Local and Parochial Government.

YEAS: Messrs. Creel, Alexander, Cubre, LeRouef, Havel, Smith, Folse, Gianprossio

NAYS: None

ABSENT: Ray Aquillard

And the resolution was declared adopted on this, the 8th day of May, 1973.

*Gerard C. Aelfondre*  
Secretary

*[Signature]*  
President

STATE OF LOUISIANA  
PARISH OF ST. JOHN THE BAPTIST

I, the undersigned Secretary of the South Louisiana Port Commission do hereby certify that the foregoing four (4) pages constitute a true and correct copy of a resolution adopted by said Port Commission on May 8, 1973, ratifying the appearance of the President of the South Louisiana Port Commission before the Committee on Local and Parochial Government and making formal request upon said Committee to retain the authority of the South Louisiana Port Commission in the proposed new Louisiana Constitution.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said Port Commission at Laplace, Louisiana, on this, the 8th day of May, 1973.

*Gerard C. Aelfondre*  
Secretary



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 17740-A BATON ROUGE LOUISIANA 70803  
TELEPHONE 389-5034

E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

May 22, 1973

Mr. Fred G. Benton, Sr.  
Benton, Benton & Dodson  
114 St. Louis Street  
Baton Rouge, Louisiana

Dear Mr. Benton:

This letter will confirm the request by me, as Chairman of the Committee on Local and Parochial Government and concurred in by the full committee, that you coordinate the review and preparation of provisions to be included in the new constitution relative to municipal and parochial finance.

An agreement by several of the bond lawyers at an earlier meeting of the committee, indicated they would form a voluntary committee to recommend certain proposals for bond issues, taxes, and other related revenue matters for inclusion in the new constitution.

I would request that you contact the other bond attorneys who may want to assist you in this project, and further request that you report back to the committee at your earliest convenience.

Sincerely yours,

*C. O. Perez*  
Chalin O. Perez, Chairman  
Committee on Local and Parochial Government

COP/ef

cc: John W. Cox  
Harold Judell  
Willis C. McDonald

GORDON J. MARTIN  
SHERIFF AND TAX COLLECTOR



TELEPHONE  
562-3582

**SHERIFF**  
St. James Parish  
CONVENT  
May 22, 1973

Committee on Local and Parochial Gov.  
Constitutional Convention, State of La.  
P. O. Box 11740-A  
Baton Rouge, Louisiana 70803

Gentlemen:

I have learned that a sub-committee of your committee writing an article for the new constitution has retained the ports of Baton Rouge, New Orleans, and Lake Charles in the new constitution but omitted all the other ports. In behalf of the South Louisiana Port Commission, I urge you to reconsider your position in this matter.

The South Louisiana Port Commission is made up of the Parishes of St. Charles, St. John and St. James which are located on the Mississippi River between the Ports of New Orleans and Baton Rouge. It is my belief that this area has the greatest potential of vast future port development of any area in this state.

As an elected official serving the Parish of St. James for the past 17 years and also as an elected delegate to the Constitutional Convention from District 57 representing the Parishes of St. John and St. James, I strongly request you reconsider including the South Louisiana Port Commission in your constitutional article.

The development of this area will not only benefit the three parishes involved, but will be a great asset to the whole State of Louisiana.

Yours very truly,

*Gordon J. Martin*  
Gordon J. Martin, Sheriff &  
Delegate from District 57

GJM:kkc



**SENATE**  
STATE OF LOUISIANA

HARVEY PELTIER, JR.  
State Senator

Post Office Box 1097  
Thibodaux, Louisiana 70301

District 19  
Parishes of  
St. Charles  
St. John  
Lafourche

May 23, 1973

Mr. Chalin Perez, Chairman  
Committee on Local and Parochial Government  
Constitutional Convention  
State of Louisiana  
P.O. Box 11740-A  
Baton Rouge, Louisiana 70803

Dear Mr. Perez:

I have learned that your sub-committee has taken the position that the South Louisiana Port Commission should be deleted from the proposed state Constitution. In my opinion this would be a great injustice to the involved areas, including the parishes of St. Charles and St. John the Baptist.

The South Louisiana Port Commission governs a facility that promises to be the major future growth area of the entire port complex. Knowledgeable persons fear that the Port Commission will be placed at a serious disadvantage by being treated differently than the adjacent port authorities of New Orleans and Baton Rouge.

I concur in this view, and urge you to use your influence to have the committee as whole reconsider this matter so as to include the South Louisiana Port Commission in the new Louisiana Constitution.

Sincerely,

*Harvey Peltier, Jr.*  
Senator Harvey Peltier, Jr.

STATE OF LOUISIANA  
**HOUSE OF REPRESENTATIVES**  
BATON ROUGE



EDWARD J. "EDDIE" D'GEROLAMO  
DISTRICT 77

Phone Office 722-3919  
Phone Home 729-3584  
800 WILLIAMS BLVD  
SUITE "A"  
KENNER, LA 70062

COMMITTEES  
COMMERCE  
EDUCATION  
LABOR & INDUSTRIAL RELATIONS  
DELEGATE - CONSTITUTIONAL CONVENTION

May 31, 1973

Mr. Chalin Perez, and Members of the Municipal & Parochial Affairs Committee of C.C. 73.

Ladies and Gentlemen, I would like to present to you in writing certain objections that I have in the proposal drafted by the Subcommittee on Local and Parochial Government, I will be unable to be at the meetings on June 1 and June 2, of 1973, but would appreciate you not taking final action on those parts of this draft that I have some problems with at this time, namely:

Section 6 (Lines 5 through 23) (Page 4)  
Section 7 (Lines 8 through 35) (Page 5)  
Section 7 (Lines 1 through 23) (Page 6)  
Section 7 (Lines 1 through 9) (Page 7)  
Section 9 (Lines 6 through 14) (Page 8)

All other sections, I believe, will be good proposals and I have no objections to. I am enclosing a prepared amendment that I would like to submit to the Committee in order to correct the above objections.

Thanks for your consideration and attention.

Yours very truly,

*Eddie D'Gerolamo*  
Eddie D'Gerolamo

PARISHES AND MUNICIPALITIES;  
CHARTERS AND POWERS;  
HOME RULE

Article \_\_\_\_\_ Section \_\_\_\_\_

A. The electors of any parish, municipality, or other unit of local government authorized by law to perform general governmental functions may draft, adopt, or amend a charter of government to be known as a home rule charter in accordance with the provisions of this section. The governing authority of any such parish, municipality, or other unit of local government may appoint a commission to prepare and propose a charter, or may call an election for the purpose of electing such a commission in accordance with the primary and general election laws of the state. The legislature shall provide by general law for the implementation of this section.

8. The governing authority of any such parish, municipality, or other unit of local government shall call an election for the purpose of electing a commission to prepare and propose a charter or alternate charter when it is presented with a petition signed by not less than twenty percent of the qualified electors who live within the boundaries of the affected parish, municipality, or other unit of local government, as certified by the registrar of voters. A home rule charter shall be adopted when approved by a majority of the qualified electors voting on the charter proposal at an election to be called and held in accordance with the general election laws of this state.

C. Pursuant to such home rule charters, parishes and municipalities have complete freedom to select their form of government and to regulate and legislate, either in the charter itself or by subsequent ordinance, as to all matters of a local and special nature.

D. The legislature shall pass no local and special legislation affecting any home rule parish or municipality with the exception of those dealing with pension and retirement benefits unless there

is exhibited to the legislature evidence that the governing authority of the parish or municipalities affected has no objection thereto. Such evidence shall consist of appropriate certification from the official secretary or clerk of the governing authority involved.

E. The provisions of this constitution and of any general laws passed by the legislature shall be paramount and no parish or municipality shall exercise any power or authority which is inconsistent or in conflict therewith. The sovereignty of the state and its legislature is not to be diminished by this home rule grant to local governments and their authority is extended only as herein clearly defined. The prerogative as to the need for a general law, as opposed to one purely local and special, the defining thereof and its enactment is hereby reserved to the legislature.

F. Parishes, municipalities, or other units of local government do not have the power (1) to incur debt payable from ad valorem tax receipts maturing more than forty years from the time it is incurred; (2) to define and provide for the punishment of a felony; or (3) to enact private or civil laws governing civil relationships.

G. Parishes, municipalities, or other units of local government shall have only the power that the legislature may provide by law to levy and collect occupational license taxes upon or measured by income or earnings.

H. The legislature may not deny or limit the power of parishes, municipalities, or other units of local government (1) to make local improvements by special assessment and to exercise this power jointly with other parishes and municipalities, and other classes of units of local government having that power on the effective date of this constitution unless that power is subsequently denied by law to any such other units of local government; or (2) to levy or impose additional taxes upon areas within their boundaries in the manner provided by law for the provision of special services to those areas and for the payment of debt incurred in order to provide those special services.

I. Nothing herein shall be construed as affecting existing local and special legislation, nor the existing charters of local governments affected hereby. Specifically, the plans of government and home rule charters of the parishes of East Baton Rouge, Jefferson, and Plaquemine and of the Cities of New Orleans, Baton Rouge, and Shreveport shall remain in effect until amended, modified, or repealed as provided therein. Each of these local governmental units shall retain the authority and powers granted, and shall be subject to the duties imposed by the applicable constitutional provisions under which their respective plans or charters were adopted. However, it is intended that the legal relationship between general state laws and local laws and ordinances of all home rule local governments, whether already established or hereafter conferred be uniform and as heretofore defined.

Office of  
*W. J. Reuther, General Chairman*  
6628 Lock Road, New Orleans, Louisiana 70126  
Phone: 242-4321, Area Code 504

June 5, 1973

Mr. Chalin Perez, Chairman  
Committee on Local and Parochial Government (CC-73)  
Braithwaite, Louisiana

Dear Mr. Perez:

Myself and most other employees of the New Orleans Public Belt Railroad wish to request that you and your Committee recommend that the New Orleans Public Belt Railroad Commission remain in the Constitution.

We would like to make some recommendations as to the number of Commissioners, the method of appointment and length of appointed term, plus a few other recommendations on Article XIV Section 26 of the present Constitution.

We feel the Commission should be composed of the Mayor of New Orleans, and not more than eight (8) citizen taxpayers to be chosen in the following manner and for terms of not more than six (6) years. Two to be selected by the Mayor of the City of New Orleans, two to be selected by the New Orleans City Council, two to be selected by the Chamber of Commerce of the New Orleans Area, two to be selected by the Greater New Orleans AFL-CIO, and one member shall be the Mayor of the City of New Orleans. All selections must be with the approval of the New Orleans City Council, by majority vote. The initial terms of four (4) of the members selected shall be three (3) years and the terms of the other four (4) members selected shall be for six (6) years. The initial term of each such member shall be determined by lot at the first meeting held by the commission after its formation. Upon the expiration of the initial terms of such members as were determined by lot, the members selected thereafter shall be for terms of six (6) years. The Mayor of the City of New Orleans shall be the president of the commission and shall have the right to vote at all meetings. The president pro tem. shall be chosen from the membership of the commission by majority vote of the members thereof. The Legal Counsel for the commission shall be the Attorneys for the City of New Orleans.

The control and development of the Public Belt railroad system and the Mississippi River Bridge shall be exclusively vested in the New Orleans City Council, which shall always be separate and distinct from that of any railroad.

Mr. Chalin Perez

Page 2

June 5, 1973

No director, attorney, officer or employee of any railroad shall ever be a member of said commission, or an officer, attorney, or employee of said public belt railroad, and no rights or privileges shall be granted to any railroad company to control, use or operate the said public belt railroad system or any part thereof. Said Public Belt Railroad system shall be and remain the sole property of the people of the City of New Orleans at all times, and shall in no way or manner ever be hypothecated or alienated. The City of New Orleans and through the City Council shall have the power to make contracts, acquire lands, leases and other forms of property necessary for the operation of a railroad system, either by purchase, expropriation, or otherwise, and shall have the right to operate within or without the parish of Orleans.

The operation and management of the Public Belt Railroad system and the Mississippi River Bridge shall be exclusively vested in the New Orleans Public Belt Railroad Commission and a General Manager. The duties of said General Manager shall be defined by said commission. Said General Manager must be a resident of New Orleans as long as he is employed by said commission.

The Officers of the Commission shall be a President, a President Pro Tem., a General Manager and a Secretary. (The office of Secretary may be held by the General Managers secretary or a member of the Commission.) It shall be the duty of the Commission to check and audit all the accounts, receipts, disbursements and records of the Public Belt Railroad, or cause said accounts, receipts, disbursements and records to be checked and audited by a competent established Certified Public Accountant not less than once each calendar year. All accounts, receipts, disbursements and records of the Public Belt Railroad shall be subject to checks and audits by the New Orleans City Council and the State Legislative Auditor, said accounts, receipts, disbursements and records must be audited at least once every four (4) calendar years by the State Legislative Auditor.

Enclosed is an unanswered letter to New Orleans Mayor Landrieu, which is the reason for the lateness of this letter, we were hoping he would set up a committee to meet with us as requested, but realize now this was only hopeful thinking on our part.

The undersigned and a committee of Public Belt employees will be happy to meet with you or any members of your Committee to discuss this matter at any time and/or place.

Hoping to hear from you on this matter, I remain

Sincerely yours,

*W. J. Reuther*  
W. J. Reuther

cc: Mr. Jonny Jackson, Jr.  
Mr. Gordon Flory  
Mr. John D. Lambert, New Orleans City Councilman

Standard Lodge No. 1255



Affiliated with A. F. L.-C. I. O. and C. L. C.



**Police Jury**  
**St. Bernard Parish**

St. Bernard Courthouse Annex  
CHALMETTE, LOUISIANA 70043

June 7, 1973

271-0421

Celestine Melerine  
Fourth Ward  
Route 1, Box 192  
Violet 70092

Claude S. Mumphy  
Fourth Ward  
2012 Mumphy Road  
Chalmette 70043

Roland J. Bergeron, Jr.  
Fifth Ward  
Box 38  
St. Bernard P. O. 70085

Walter S. Molero  
Fifth Ward  
Box 636  
St. Bernard P. O. 70085

*Anthony A. Fernandez, Jr.*  
ANTHONY A. FERNANDEZ, JR.,  
ASSISTANT SECRETARY

115 Moss Lane  
New Orleans, La.  
June 16, 1973

**OFFICERS**  
Henry C. Schindler, Jr.  
President  
Roy H. Gonzales  
Vice President  
Valentine Riess  
Parish Manager  
Raymond M. McDougall  
Secretary Treasurer  
Anthony A. Fernandez, Jr.  
Assistant Secretary

**MEMBERS**  
Bertrand A. Odinet  
First Ward  
248 Friscoville Avenue  
Arabi 70032

Henry C. Schindler, Jr.  
First Ward  
946 Mehta Avenue  
Arabi 70032

Roy H. Gonzales  
Second Ward  
117 Norton Avenue  
Arabi 70032

Peter Perniciero  
Second Ward  
58 Carolyn Court  
Arabi 70032

Nunzio S. Cusimano  
Third Ward  
2005 Marvino Street  
Chalmette 70043

John A. Metzler  
Third Ward  
2800 Ivy Place  
Chalmette 70043

Louis P. Munster  
Third Ward  
2116 Paris Road  
Chalmette 70043

Celestine Melerine  
Fourth Ward  
Route 1, Box 192  
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Mr. Chalin Perez, Chairman  
Committee on Local and Parochial  
Government  
Constitutional Convention of 1973  
State of Louisiana  
P. O. Box 17740-A  
Baton Rouge, Louisiana 70803

Dear Mr. Perez:

Enclosed is a copy of a motion passed by the St. Bernard Parish Police Jury at a special meeting held May 8, 1973.

The Police Jurors have requested that a copy of this motion be sent to you for consideration by your committee.

Your consideration of this request would be appreciated.

Very truly yours,

ST. BERNARD PARISH POLICE JURY

*Anthony A. Fernandez, Jr.*  
ANTHONY A. FERNANDEZ, JR.  
ASSISTANT SECRETARY

AAFjr/lg

Enclosure

cc: Jefferson Parish Council  
Plaquemine Parish Commission Council  
St. Tammany Parish Police Jury

Mr. Chalin Perez, Chairman  
Committee on Local and Parochial Government  
(Subcommittee on Special Districts)  
Constitutional Convention '73  
Baton Rouge, Louisiana

Dear Mr. Perez:

According to an article in the June 16, 1973, edition of the Times-Picayune, the subcommittee on Special Districts will reconsider the status of the New Orleans Lock Board.

I have already offered one suggestion in connection with the Dock Board—that if its jurisdiction will include all of Jefferson parish, that a land use plan be clearly defined to protect residential areas bordering the Mississippi river.

If the Lock Board allows shipping operations to be carried on in the river adjacent to residential areas, it will, in effect, take from homeowners in the area the right to enjoy peaceful possession of their land.

For example, the ACADIA FURBST of Central Gulf Steamship Lines loaded lash type barges in the river in the Rex Drive, Moss Lane area between Harahan and Kenner (on the east bank of the Mississippi) not long ago, and brought my slumner to a halt at 2 a. m. Central Gulf admitted that they had indeed loaded their ship in this area and that it would return in about ten days, since this was a "convenient" place to load.

Just last week, Point Landing, Inc., a barge fleeting firm, installed pilings in the bed of the river (below the low water mark, not on the batture) from a barge, and this was done without a permit from the U. S. Corps of Engineers, the Pontchartrain Levee District, or the Jefferson parish council. Point Landing officials first claimed that the pilings had been installed before the Mississippi river water rose, then finally admitted that they had put them down last week. The Corps shrugged its figurative shoulders and said, "Well, there's nothing we can do about that now except make them file for a permit."

If placing the Dock Board in the Constitution is going to give us more of the same run-around, I'm afraid we can't support it. The noise from the making and breaking of barge tows had driven us to distraction for several years now, and we have gone through every possible legal channel to regain some peace and tranquility. To make matters worse, we have documents which indicate that the batture in our area belongs to the state, since it paid fair market price, by lots (not for a servitude or right of way) in the early 1930s. Let it is being leased to the fleeting firm by a private individual.

page 2

Please note that the representatives from Jefferson parish who were instrumental in writing the previous subcommittee proposal are business men and have a vital (and pecuniary) interest in the shipping business. Homeowners in our area will be glad to support any dock board proposal that gives us a fair shake, but we don't feel that we should endure everlasting noise so that shipping interests can operate free of charge on a national river, or that the river should be dedicated exclusively to commerce. There are individual rights as well as corporate rights and there must be a balance of interests.

Thank you for your attention to this matter.

Very truly yours,

*Margaret M. Duplantier*  
MARGARET M. DUPLANTIER  
(Mrs. Crozet J. Duplantier)

Copy to: Mrs. Mary Zervigon



COUNCIL FOR A NEW STATE CONSTITUTION  
6641 BELLAIRE DRIVE  
NEW ORLEANS, LA 70112

June 19, 1973

Dear Members of the sub-committee on Special Districts,



**Police Jury**  
**St. Bernard Parish**

St. Bernard Courthouse Annex  
CHALMETTE, LOUISIANA 70043

271-0421

**OFFICERS:**  
Henry C. Schindler, Jr.  
President  
Roy H. Gonzales  
Vice President  
Valentine Riess  
Parish Manager  
Raymond M. McDougall  
Secretary Treasurer  
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First Ward  
946 Mehta Avenue  
Arabi 70032

Roy H. Gonzales  
Second Ward  
117 Norton Avenue  
Arabi 70032

Peter Perniciero  
Second Ward  
58 Carolyn Court  
Arabi 70032

Nunzio S. Cusimano  
Third Ward  
2005 Marvino Street  
Chalmette 70043

John A. Metzler  
Third Ward  
2800 Ivy Place  
Chalmette 70043

Louis P. Munster  
Third Ward  
2116 Paris Road  
Chalmette 70043

EXTRACT OF THE OFFICIAL PROCEEDINGS OF THE POLICE JURY OF THE PARISH OF ST. BERNARD, STATE OF LOUISIANA, TAKEN AT A SPECIAL MEETING HELD AT CHALMETTE, LOUISIANA, IN THE POLICE JURY ROOM OF THE COURTHOUSE ANNEX, ON TUESDAY, MAY 8, 1973, AT ELEVEN (11:00) O'CLOCK A.M.

On motion of Mr. Gonzales, seconded by Mr. Melerine, and unanimously carried, it was moved jointly that the St. Bernard Parish Police Jury, as the governing authority of the Parish of St. Bernard, request the Local and Parochial Government Committee of the Constitutional Convention to support the Fordh a Plan or method of government whereby local governments could exercise the powers not specifically denied them by state law.

It was further moved to request all other Police Juries to join with St. Bernard Parish in this request.

And the motion was declared adopted on the 8th day of May, 1973.

**CERTIFICATE**

I CERTIFY THAT the above is a true and correct copy of a motion adopted by the St. Bernard Parish Police Jury at a Special Meeting held at Chalmette, Louisiana, in the Police Jury Room on the 8th day of May, 1973.

Witness my hand and the Seal of the St. Bernard Parish Police Jury this 31st day of May, 1973.

We note that you are meeting again to reconsider the article on special districts. We ask that you consider the Council's position on this matter. It is as follows:

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

As you probably know the Council represents some 31 organizations in the Greater New Orleans area and each resolution must pass by at least a 2/3 vote of those members voting.

Sincerely,

*Joel Myers*  
(Mrs.) Joel Myers, Secretary  
Council for a New State Constitution



CITY OF NEW ORLEANS  
OFFICE OF THE MAYOR

August 28, 1973

Mr. Chalin Perez, Chairman  
and Members of the Local and Parochial Government Committee - CC'73

CONGRATULATIONS.....

The Committee Proposal you have submitted clearly provides an unprecedented degree of Home Rule to the parishes and cities of Louisiana. Your proposal grants to political subdivisions the flexibility and independence required to govern themselves in a responsible and responsible manner. This is a fair and reasonable allocation of authority to local governing bodies. For this I commend and thank the Committee.

However, I do object to that part of Section 14, which allows the Legislature to impose financial obligation upon political subdivisions for certain classes of personnel pay and benefits. This exception is clearly inconsistent with the Home Rule ideal. It gives preferential treatment to some employees over others. It prevents local governing authorities from determining their own financial priorities. And finally, it is unfair to the local populous, who pay those salaries and benefits, to circumvent their authority by Legislative mandates.

As I have stated before, the Local Government Proposal is a good proposal and as Mayor of New Orleans I thank the Committee. I only urge that you reconsider Section 14 and make it consistent with the rest of your fine work.

Sincerely,

*Moon Landrieu*  
Moon Landrieu  
Mayor

ML:bd

**COALITION  
OF VIEUX CARRE  
ORGANIZATIONS**

- Eggleston Avenue Improvement Association
- French Quarter Residents Association
- Lousiana Council for the Vieux Carre
- Vieux Carre
- Vieux Carre Action Association
- Vieux Carre Property Owners and Associates Inc

June 21, 1973

Hon. Chalin O. Perez, Chairman  
Committee on Local and Parochial Government--CC-73  
P. O. Box 44473  
Baton Rouge, La. 70804

Gentlemen:

We have been informed that there will be extensive meetings of your Committee on June 28-29-30.

You and your wives are still invited to spend a day in the French Quarter. We can start the day later, at 3 or 3:30 p.m. We would meet first in the Assembly Room of the Presbytere, take a walkinng/riding tour, and finish the evening with a progressive dinner at several homes.

If your sessions last all day, we could start with the evening's social event, and follow up with the walkinng/riding tour on Sunday mornning.

Complimentary hotel accommodations will be arranged for anyone who wishes to come. Please join us to ensure the survival of the Vieux Carre. We look forward to seeing and meeting you on June 30th!

Most cordially,

*John C. Oodt III*  
John C. Oodt III, President  
Vieux Carre Property Owners & Associates Inc.  
P. O. Box 2485  
New Orleans, La. 70176

You may RSVP at 524-6356 --  
Lois Kirkpatrick, Sec., Vieux Carre Action Association.

'An Equal Opportunity Employer'



THIBODAUX LA

CITY OF THIBODAUX  
OFFICE OF THE MAYOR

WARREN J. HARANG JR.  
MAYOR  
JOE N. SILVERBERG  
TRUSTEE OF FINANCE  
BERTRAND F. HEBERT  
TRUSTEE OF PUBLIC PROPERTY

P. O. BOX 68

August 30, 1973

Mr. Chalin Perez, Chairman  
Local and Parochial Government Committee  
CC'73  
Baton Rouge, LA

Dear Mr. Perez:

The other two trustees of the City of Thibodaux, Bertrand F. Hebert, and Joe N. Silverberg, join with me in expressing the appreciation of the Thibodaux citizens for the excellent job you and your committee did in drafting the constitutional article on local and parochial government.

Like most good things dealing with civil affairs, we find your article to be comprehensive, flexible, fair, and reasonable; however, I would like to take this opportunity to point out one flaw in the language which could haunt our local government.

I am hopeful that you will be able to amend that part of section 14 which allows the legislature to impose financial obligation upon political subdivisions for certain classes of personnel pay and benefits. I believe I opposed this same obligation when I appeared before your committee some months ago.

If I can be of any assistance to you in the further development of this constitutional article, please do not hesitate to call on me, or Mr. Silverberg, or Mr. Hebert.

Sincerely,

*Warren J. Harang, Jr.*  
Warren J. Harang, Jr.  
Mayor

WJH:jab  
cc: Mr. Walter Lanier, Jr.

RAY EVERETT  
REPRESENTATIVE  
OFFICE  
HOUSE WING, ROOM 303  
1700 WEST WASHINGTON  
PHOENIX, ARIZONA 85007  
HOME  
BOX 2539  
PRESCOTT, ARIZONA 86301



Arizona House of Representatives  
Phoenix, Arizona 85007  
THIRTY-FIRST LEGISLATURE  
1973-1974  
September 7, 1973

COMMITTEES  
GOVERNMENT OPERATIONS  
CHAIRMAN  
COMMERCE AND INDUSTRY  
RULES  
TRANSPORTATION  
PARLIAMENTARIAN

Please forgive our delay in responding. We will send you the information as soon as it is available.

Sincerely,

Stephen A. Glassell  
Senior Research Assistant  
CC/73

Mr. Chalin Perez, Chairman  
Committee on Local and Parochial Government  
Constitutional Convention of Louisiana of 1973  
Box 17740-A  
Louisiana State University Station  
Baton Rouge, Louisiana 70803

Dear Mr. Perez:

In recent years the state of Arizona has looked closely at the position of local government in our state, particularly that of county government. As a result, a great deal of interest and emphasis has been placed on the possible reorganization of county government.

The House Committee on Government Operations which I chair has initiated several studies and projects in this area and at this point is looking for all information available on the subject of county government.

As a county supporter and committee chairman in charge of these projects, I would deeply appreciate any information you have available in this area. We are particularly interested in data regarding county organization, finance, powers, charters, and home rule. Also, any list of people whom we could contact for further information would be appreciated.

Thank you for your assistance, and should you have any questions, please feel free to contact me at my office in Phoenix.

Sincerely,

RAY EVERETT  
Chairman  
Government Operations Committee

RE:sIm



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 17740-A BATON ROUGE LOUISIANA 70803  
TELEPHONE 389 5034

E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

January 31, 1974

Representative Ray Everett  
Arizona House of Representatives  
House Wing, Room 303  
1700 West Washington  
Phoenix, Arizona 85007

Dear Mr. Everett:

In a letter dated October 8, 1973, I indicated that I would send you a copy of the Local Government Proposal as introduced and as finally adopted by the Convention.

These two documents are enclosed herewith.

Best wishes in your study.

Sincerely yours,

Stephen A. Glassell  
Senior Research Assistant

SAG:jc  
Enc.

THE UNIVERSITY OF UTAH  
SALT LAKE CITY 84112

COLLEGE OF LAW

September 10, 1973

Mr. Gene F. Tarver  
Research Coordinator  
State of Louisiana  
Constitutional Convention of 1973  
P. O. Box 17740-A  
Baton Rouge, Louisiana 70803

Dear Mr. Tarver:

This is in response to your letter of August 28 and the enclosed copy of Committee Proposal No. 17 of the Constitutional Convention of Louisiana of 1973. I am pleased that you and Mr. Lanier think that I might be helpful. I do assure you of my lively desire to do so.

It is, of course, pleasing to me to note that account has been taken of some of my notions in the draft of Committee Proposal No. 17.

In general, the proposal reflects a real effort to deal with the subject of local government thoroughly. I have no doubt that the Committee is keenly concerned to make a significant move forward in policy-making at the constitutional level with respect to local government.

In the light of all this I am greatly distressed that my basic approach to the subject does not consist with specific and detailed commentary upon the draft proposal. In a word, I think that the constitutional treatment should be in very broad, basic terms with much greater dependence upon the state legislative institution, as distinguished from policy determination at the constitutional level. Of course, I am aware of the experience of Louisiana in spelling things out in the Constitution. I see the constitutional convention as an opportunity to make a bold and strong effort to get away from plethora legislation in the organic law and to make a basic move toward more truly representative government with respect to the local level and state-local relations.

Mr. Gene F. Tarver  
Page Two  
September 10, 1973

ST. MARY PARISH  
SALES AND USE TAX DEPT.

P O BOX 1142  
MORGAN CITY, LA. 70380

THADDEUS J. MARCELL  
DIRECTOR  
364-8510

FRANKLIN  
820 1234

Let me refer to one or two particular items in the field of public finance. It seems to me that it would be quite ill-advised to put details into the Constitution about municipal bonds. This is an evolving subject which ought to be the ongoing concern of representative bodies at the state and local levels. If, for example, you were to put into the Constitution a requirement for the levy of an ad valorem tax to provide for amortization of general obligation municipal bonds, you would be committing the state to a policy which is under serious challenge. It is my own judgment, as a student of the subject, that the time has come for the states to break away from long-range commitment of ad valorem property taxation in support of general obligation bonds in order that there be genuine obligation municipals on a footing somewhat like that of most state and federal bonds, that is, that they be not supported by the commitment of any particular tax. This parallels what has taken place in private corporate finance in the form of shifting away from bonds secured by mortgage upon corporate properties to debentures which rest upon the general credit of the borrowing unit.

October 1, 1973

Walter I. Lanier  
P. O. Box 648  
Thibodaux, LA 70301

Dear Walter:

In reference to our past discussions concerning the articles on local and parochial governments, please be advised that I received the changes that we talked about. I forwarded a copy of those changes to Mr. John Cox, our legal advisor, for his consideration.

Enclosed is a copy of his reply which may be of interest to you and your committee.

With best regards,

Thaddeus Marcell

Enclosure

TM:da,mr

I suggest again that it is time to get rid of constitutional limitations upon local borrowing and to leave the regulation of the subject to the state legislature. We are much more knowledgeable and studied about this subject than were people of the generation during whose time constitutional debt limitations proliferated.

What I hope that the Committee will consider is the recasting of the draft in simple, brief, broad terms such as has been attempted in my model provisions and in the model state constitution.

I am emboldened to say that the central problem in state constitutional revision generally is the strengthening of the basic institution of representative government, namely, the state legislature.

Sincerely,

Jefferson B. Fordham

JBF:vjp

cc. The Honorable Walter I. Lanier, Jr.

COX, HUPPENBAUER, MICHAELIS & OSBORNE

ATTORNEYS AND COUNSELLORS AT LAW

707 FIRST NATIONAL BANK OF COMMERCE BUILDING

NEW ORLEANS, LOUISIANA 70112

September 27, 1973

TELEPHONE 524 327  
AREA 504

STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 17740 A BATON ROUGE LOUISIANA 70803  
TELEPHONE 389 5034

JOHN W. COX  
EUGENE E. HUPPENBAUER  
JERRY B. OSBORNE  
GUNTHER B. MICHAELIS  
LOUIS B. TRENCHARD, III

October 10, 1973

Mr. Thaddeus Marcell  
Director - St. Mary Parish  
Sales and Use Tax Department  
Post Office Box 1142  
Morgan City, Louisiana 70380

Re: Louisiana Constitutional Convention  
Sales Tax Proposal of Committee on  
Local and Parochial Government  
Louisiana Association of Tax  
Administrators  
Our File No. 2324

Dear Thaddeus:

Thank you for furnishing us with a copy of the amended proposal of the Committee on Local and Parochial Government dealing with sales and use taxes. As per our telephone conversation of Thursday, September 27, 1973, we wish to point out that the effort which has been made under Subsection (D) of the new proposal to provide a qualifying provision or escape clause with respect to the 3% limitation contained under Subsection (A) presents a problem of proper legal draftsmanship. As you have so vehemently pointed out, the 3% limitation should not even appear in the Constitution, however, should the Convention deem it necessary to place such limitations in the new document, then any escape clause or qualifying provision should be placed under the same subsection and in fact, in the same sentence or phrase in which the limitation appears. Even if the qualifying provision or escape clause provided, for example, a two-thirds vote of the legislature to impose additional sales tax authority, the rules of good legal draftsmanship would dictate that the subject matter be handled under the same subsection and in the same sentence or phrase in which the 3% limitation appears.

The provision contained under proposed Subsection (C), permitting the legislature to impose unlimited sales tax exemptions, has no place in the new Constitution. Rather, if anything should be placed in the new document concerning sales tax, it should be a provision imposing a general prohibition upon a reduction or impairment of the tax base by which sales tax bond issues are secured. While a commendable effort has been made to remedy the problem created under Subsection (C) of the proposed section, through the insertion of Subsection (E), it would be desirable to go one



L. HENRY  
Chairman  
NORMA M. OUNCAN  
Director of Research

Mr. John W. Cox  
707 First National Bank of Commerce Building  
New Orleans, Louisiana 70112

Dear Mr. Cox:

We are in receipt of your letter of September 25, 1973, and Mr. Thaddeus Marcell has forwarded us a copy of your letter of September 27, 1973, in which you make certain suggestions relative to the sales tax provision included in the proposal of the Committee on Local and Parochial Government of the Constitutional Convention.

Having read your letters we can understand the problems posed and would request, if at all possible, that you draft a Section 34 providing for the levying of a local sales tax. We would welcome any proposed solution you might have to this problem. We might point out that removing the three percent limitation might not be politically feasible.

Sincerely yours,

Ethan J. Chatelain

Walter I. Lanier, Jr.

ma

Mr. Thaddeus Marcell  
Page Two  
September 27, 1973

step further and provide for the protection of the security of any bond issues secured by sales and use taxes authorized subsequent to the effective date of the new Constitution. In its present form, Subsection (E) only applies to those sales and use taxes authorized or imposed on the effective date of the new constitution. Moreover, it is not clear whether the word authorized means authorized by statute or by voter referendum, or both.

In accordance with our telephone conversation, I am enclosing a copy of a letter dated September 25, 1973 written by Mr. John Cox of this office to Delegate E. J. Chatelain of the Committee on Local and Parochial Government. This letter provides a concise yet thorough analysis of the problems involved. Moreover, the discussion on Page 3 of the enclosed letter will be of particular interest to you, since it deals with the threatened effect of the 3% sales tax limitation in St. Mary Parish. Should you wish to discuss this matter further, however, or if we can be of further assistance to you or the LATA in any way, we trust that you will never hesitate to call upon us.

Yours very truly,

COX, HUPPENBAUER, MICHAELIS & OSBORNE

By:

LBT/d  
Enc.

From the desk of  
JOHN W. COX

9-25-73

Walter:

Thibodaux is effected by the sales tax problem mentioned in the letter & has unissued (but voted) sales tax bonds which could be voided.

Best wishes,



COX, BAGOT & HUPPENBAUER

Attorneys and Counsellors At Law  
707 NATIONAL BANK OF COMMERCE BUILDING  
NEW ORLEANS, LOUISIANA 70112

COX, HUPPENBAUER, MICHAELIS & OSBORNE

ATTORNEYS AND COUNSELLORS AT LAW

703 FIRST NATIONAL BANK OF COMMERCE BUILDING  
NEW ORLEANS, LOUISIANA 70112

JOHN W. COX  
EUGENE F. HUPPENBAUER, JR.  
JERRY R. OSBORNE  
GUNTHER R. MICHAELIS  
LOUIS B. TRANCHARD, III

TELEPHONE 524 3212  
AREA 504

September 25, 1973

Delegate E. J. Chatelain  
Louisiana Constitutional Convention of 1973  
P. O. Box 17740-A  
Baton Rouge, Louisiana 70803

Dear E. J.:

Several weeks ago when you appeared before the Lafayette City Council to discuss the report of the Committee on Local and Parochial

Government, we discussed the provisions of Section 35 dealing with local sales and use taxes which in its present form would have the practical effect of making it impossible for Louisiana municipalities, parishes and school boards to sell sales tax bonds unless changes are made by the Convention. Paragraph (C) of Section 35 of the report would confer constitutional authority upon the legislature to exempt or exclude sales of tangible personal property from local sales and use taxes. This provision would make the future revenues of the sales tax uncertain and possible non-existent and, of course, no bond purchaser would accept such questionable security for a bond issue.

As you know, the voters of the City of Lafayette earlier this year approved the issuance of \$17,000,000 of sales tax bonds. R.S. 33:2717.8 (a portion of the bond statute under which these bonds would be issued) provides as follows:

"DISCONTINUANCE OR DECREASES OF TAX PROHIBITED

When any bonds shall have been issued hereunder, neither the Legislature of Louisiana or the municipality may discontinue or decrease the tax or permit same to be discontinued or decreased in anticipation of the collection of which such bonds have been issued, or in any way make any change in the allocation of the proceeds of such tax which would diminish the amount of the sales tax revenues to be received by the governing authority, until all of such bonds shall have been retired as to principal and interest, and there is hereby vested in the holders from time to time of such bonds and the coupons representing interest thereon a contract right in the provisions of this Section and of R.S. 33:2717.1-33:2717.18. Acta 1962, No. 300, §8."

Delegate E. J. Chatelain  
September 25, 1973  
Page No. 2

This legislative authority which is essential to protect the security for sales tax bonds would be in direct conflict with the above mentioned Section 35 and would become an unconstitutional enactment by the legislature if the proposed Section 35 is included in the new constitution. Under R.S. 33:2717.9, a part of the same sales tax bond statute, the City of Lafayette and many other local political subdivisions throughout the State have covenanted with the bond holders to continue to levy, collect and allocate the sales tax proceeds to the payment of the bonds as long as they are outstanding and this section permits the political subdivision to covenant that this provision shall be irrevocable as long as the bonds are outstanding. If these existing statutory provisions are voided by the new constitution, sales tax bonds could no longer be marketed at any reasonable interest rate under the legal opinions which bond counsel would render to the bond purchaser.

As you know, the City of Lafayette and the Lafayette Parish School Board now have outstanding approximately \$75,000,000 of sales tax bonds, not including the above mentioned voted bonds, and there is a substantial federal constitutional question as to the validity of Section 35 as it relates to the authority of the legislature to reduce the tax bases which is now pledged to the payment of these outstanding bonds. As you may know, the federal constitution prohibits any State from enacting any law which would impair the obligation of an existing contract. Although the federal constitutional question would probably protect the security rights of the bondholders on outstanding bonds (but not bonds issued after the new constitution becomes effective), any provision in the new constitution which does not recognize these rights could only have an adverse effect on the State's credit. We are convinced that this is merely an oversight in drafting and that the convention will correct this problem when Section 35 is considered.

The problem is not limited to Lafayette by any means. Every statute authorizing the issuance of sales tax bonds by Louisiana municipalities, parishes and school boards contains a similar provision prohibiting the legislature or the issuing authority from discontinuing or decreasing the tax in anticipation of the levy of which sales tax bonds have been issued. For example, see R.S. 33:2737.2, Paragraph 6 in the statute which has been used for the issuance of bonds by the Lafayette Parish School Board. The above quoted Section applies in not only to the City of Lafayette but all Louisiana municipalities. In the general parish sales tax bond statute this same authority is included in R.S. 33:2727, Paragraph D. Numerous other special sales tax statutes applicable to specific political subdivisions contain the same provisions and these can be found in Chapter 6 of Title 33 of the Louisiana Revised Statutes of 1950.

We hesitate to presume to make a specific recommendation as to the manner in which the convention should handle this matter but do feel that Paragraph C of Section 35 is in many ways a limitation on the powers of local government. Perhaps Paragraph C should be deleted in its entirety,

Delegate E. J. Chatelain  
September 25, 1973  
Page No. 3

but if not, it should be clearly qualified to protect any bond issue which has been issued or may hereafter be issued by local political subdivisions prior to any change in the tax base by the legislature. This same problem has been faced in other States and sales and use tax bonds have not been marketable where such a legal covenant prohibiting a change in the tax base has not been included in the bond statute. Numerous Louisiana municipalities now have bonds voted for capital improvement programs in progress and if this

authority to issue these voted bonds is voided, serious and very undesirable problems will be presented. We are confident the convention does not desire any such results and that this matter will be handled when called to its attention.

Another problem, in our judgment not as serious as the one discussed above, exists in Paragraph A of Section 35 which limits the local sales tax to a maximum of 3%. This provision will have the effect of rendering unconstitutional some of the sales tax statutes hereinbefore enacted and now available to Louisiana political subdivisions. As an example, in St. Mary Parish, the Police Jury now levies and collects a 1% sales tax under R.S. 33:2721. The St. Mary Parish School Board has authority to vote and levy a 1% tax under R.S. 33:2737. The five municipalities in St. Mary Parish have authority to vote and levy a 1% sales tax under R.S. 33:2711. Further, by Act 155 of 1973, the St. Mary Parish Police Jury was given authority with voter approval to levy an additional 1% tax for sewers and sewerage disposal, solid waste disposal and general pollution abatement; a total statutory authority for 4% local taxes. The St. Mary Parish Police Jury is now considering the ordering of an election on the pollution tax and if it is passed, this will make a 2% Parish tax, leaving only 1% more tax available under the proposed Section 35 provisions. Under these circumstances, either the municipalities or the School Board would eventually have their legal authority voided by the Section 35 provisions. This is even more acute when we recognize that a 1% sales tax in even one of the municipalities would make it constitutionally impossible for the St. Mary Parish School Board to vote an additional sales tax and this School Board is now in need of additional operating revenues.

If the 3% limitation on local sales taxes is finally included in the constitution, it would tend to require special constitutional amendments in situations such as that discussed for St. Mary Parish. If the limitation is to remain in the new constitution, we suggest that the convention consider granting the constitutional right for the legislature to increase this limit by a two-thirds of some such vote and not unduly restrict local governments and the desires of the local citizens and taxpayers. Please note that Paragraph B of Section 35 does require voter approval for any sales tax and everyone would agree that this is a desirable result although the existing constitution does not even require voter approval.

I have mentioned this matter in a telephone conversation with Mr. Gordon Kean who is very knowledgeable in these matters and can assist the convention in understanding the legal problems which we have attempted to

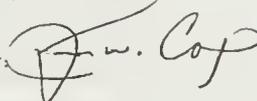
Delegate E. J. Chatelain  
September 25, 1973  
Page No. 4

point out by this letter. Since the City of Thibodaux also has sales tax bonds voted but unissued, we are sending both Mr. Kean and Mr. Lanier copies of this letter. The Chairman of this committee, Mr. Perez, is also eminently qualified to understand the legal and financial implications of the issue discussed and we are taking the liberty of sending him a copy of this letter. These fine attorneys, who are also members of the Committee on Local and Parochial Government, can also assist you and your fellow delegates to the convention in developing a solution to protect the rights of local government and the citizens of this State.

Hoping you will never hesitate to call upon us when we can be of service in any and with kind personal regards, we are

Yours very truly,

COX, HUPPENBAUER, MICHAELIS & OSBORNE

BY: 

JWC/dm

cc: Delegate R. Gordon Kean, Jr.  
Delegate Chalin O. Perez  
Delegate Walter I. Lanier, Jr. ✓

# V. Miscellaneous Committee Documents

## A. Miscellaneous Reports

February 26, 1973

### MEMORANDUM\*

TO: Members of the Committee on Local and Parochial Government  
FROM: Gordon Kean, Secretary

The Subcommittee appointed as a result of this morning's meeting has met and we enclose the following materials for your review and consideration preparatory to the next meeting of the Committee. These materials are:

1. Groupings of provisions in the 1921 Constitution which the subcommittee considers to be within the scope of the assigned jurisdiction of the Committee. These groupings are for convenience only and are not intended to indicate specific areas of Committee action. The suggested groupings are set forth in Exhibit A, attached herewith.
2. The subcommittee discussed certain 1921 materials which might be considered to fall either within the jurisdiction of the Committee or one of the other substantive committees. These proposals are set forth in Exhibit B. By way of example, Article 7, Section 51 of the 1921 Constitution relates in part to legislative authority to create "city courts". This raises the question of whether constitutional treatment of city courts is to be considered by this Committee or the Committee on Judiciary.

The subcommittee felt it unnecessary to resolve these questions at this time, and brings them to the attention of the Committee solely to indicate examples of matters which may need to be referred to the Coordinating Committee for resolution.

3. In order that the members of the Committee fully understand all of the constitutional provisions

MEMORANDUM  
February 26, 1973  
Page 2

referred to in Exhibit A, the subcommittee has prepared a compilation of these provisions constituting Exhibit C.

4. The report of the Constitution Revision Commission contains local government proposals taken from the proposed South Dakota Constitution and from the model State Constitution prepared by the National Municipal League. This report is attached as Exhibit D.

Some of you have already received a copy of the local government recommendations made by the Local Government Committee of the Louisiana Constitutional Revision Committee and the report by the Louisiana Law Institute whose work preceded the work of the Revision Committee. For those of you who have not previously received this material, we are enclosing copies of these documents for your information and review.

The subcommittee believes that the material being furnished to you should be helpful in our further consideration of the assigned work of the Committee. We will, of course, be pleased to answer any questions either prior to or at the next scheduled meeting of the Committee.

R. Gordon Kean, Secretary  
Committee on Local and Parochial  
Government

RGK/rf

Enclosures



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 17740-A BATON ROUGE, LOUISIANA 70803  
TELEPHONE 389-5034

E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

August 30, 1973

### MEMORANDUM

TO: Honorable B. B. Rayburn, Chairman, and Members of the Committee on Revenue, Finance, and Taxation  
FROM: Chalin O. Perez, Chairman, Committee on Local & Parochial Government  
RE: Committee Proposal providing for the office of Tax Assessor and Board of Assessors for Orleans Parish

The Committee on Local & Parochial Government has introduced a committee proposal providing for the office of tax assessor and providing for the Board of Assessors for Orleans Parish. The committee is aware of the Committee on Revenue, Finance, and Taxation's proposal providing for these offices. The language in the two proposals is virtually the same.

The purpose of introducing a committee proposal on the subject essentially was to conform to the decision by the Coordinating Committee, reflected in Staff Memorandum No. 6 dated June 12, 1973, assigning to the committee the provision in the 1921 Constitution relative to the office of tax assessor (Art XIV, §9). The provision in the 1921 Constitution providing for the Board of Assessors of Orleans Parish (Article XIV, §20) was assigned by the Coordinating Committee to the Committee on Revenue, Finance, and Taxation; however, the Standing Rules of the Constitutional Convention provide that the Committee on Revenue, Finance, and Taxation shall consider assessors and assessments (Rule No. 49.6).

In order to conform to the Coordinating Committee's decision, this committee felt it was necessary to introduce a proposal providing for these offices. This committee will await your advice concerning the appropriate committee to handle this subject matter on the floor of the convention.



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 17740-A BATON ROUGE, LOUISIANA 70803  
TELEPHONE 389-5034

E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

June 26, 1973

TO: Members of Committee on Local and Parochial Government  
FROM: Research Staff  
RE: Recommended numerical order of sections

We recommend the Sections on General Provisions which have been adopted to date be arranged in the numerical order illustrated on the attached chart. The number presently given each section adopted to date is in the column next to our recommended section number.

SG/pl

ARTICLE VI  
LOCAL GOVERNMENT

<u>Recommended Section No.</u>	<u>Present Section No.</u>	<u>Subject</u>	<u>Recommended Section No.</u>	<u>Present Section No.</u>	<u>Subject</u>
Section 1.	Section 2.	Parishes; Ratification of Boundaries, Creation, Consolidation and Dissolution	Section 15.	Section 10.	Appropriation to Political Subdivisions
Section 2.	Section 3.	Change of Parish Lines; Election	Section 16.	Section 21.	Creation of Special Districts; Authority
Section 3.	Section 4.	New or Enlarged Parishes; Adjustment of Assets and Liabilities	Section 17.	Section 11.	Governing Authorities of Local Governmental Subdivisions; Controls Over Agencies They Create
Section 4.	Section 5.	Change of Location of Parish Seat	Section 18.	Section 12.	Special Districts and Public Agencies; Consolidation, Merger, and Assumption of Debt
Section 5.	Section 1.	Municipalities, Incorporation, Consolidation, Merger, and Government	Section 19.	Section 15.	Acquisition of Property
Section 6.	Section 23.	Classification	Section 20.	Section 16.	Servitudes of Way; Acquisition by Prescription
Section 7.	Section 6.	Existing Home Rule Charters and Plans of Government of Parishes and Municipalities Ratified	Section 21.	Section 17.	Prescription Against State and Political Subdivisions
Section 8.	Section 8.	Home Rule Charter	Section 22.	Section 18.	Zoning
Section 9.	Section 8.1.	Home Rule Parish; Incorporation of Cities, Towns, and Villages	Section 23.	Section 19.	Industrial Areas
Section 10.	Section 7.	Powers of Other Local Governmental Subdivisions	Section 24.	Section 20.	Assistance to Local Industry by Political Subdivisions
Section 11.	Section 7.1.	Limitations on Local Governmental Subdivisions	Section 25.	Section 22.	Recall
Section 12.	Section 13.	Local Officials	Section 26.	Section 24.	Uniform Procedure for Calling; Conduction, and Canvassing the Returns of Certain Special Elections
Section 13.	Section 14.	Filling of Vacancies; Appointment	Section 27.	Section-26.	Intergovernmental Cooperation
Section 14.	Section 9.	Legislation Increasing Municipal or Parish Financial Burdens; Local Approval	Section 28.	Section 25.	Supremacy of Constitution
			Section 29.	Section 27.	Terms Defined

# B. Letters and Resolutions Commending the Committee

## POLICE JURY

PARISH OF ST. MARY  
FIFTH FLOOR - COURTHOUSE  
FRANKLIN, LOUISIANA 70538  
September 17, 1973

LEE T. CHAMPAGNE  
PRESIDENT  
JOE C. RUSSO  
VICE-PRESIDENT  
CONNIE A. MARTIN  
SECRETARY  
MISS MARTHA SIMONTON  
TREASURER  
HAROLD J. LANDRY  
ROAD SUPERVISOR



BERLIN J. HEBERT  
P. O. BOX 122  
DISTRICT 1 - CHARENTON  
LEE M. NAVARRO  
P. O. BOX 221  
DISTRICT 1 - BLOWN  
LEE T. CHAMPAGNE  
P. O. BOX 274  
DISTRICT 2 - FRANKLIN  
J. M. OOC. FERNANDEZ, M. D.  
104 MAIN STREET  
DISTRICT 2 - FRANKLIN  
EVERETTE A. SHINE FOUQUIER  
301 SANDERS STREET  
DISTRICT 2 - FRANKLIN  
EARL O. LUKE  
P. O. BOX 177  
DISTRICT 2 - FRANKLIN  
MATILDA TEE ALDISIO  
104 WILLIAMS STREET  
DISTRICT 3 - PATERSON  
FRANK S. GUARISCO  
P. O. BOX 278  
DISTRICT 3 - PATERSON  
LIGE ROBINSON  
710 GUYARD STREET  
DISTRICT 4 - BERWICK  
JOSEPH PAUL RUSSO  
P. O. BOX 247  
DISTRICT 4 - BERWICK  
DONALD J. GOMINO  
P. O. BOX 214  
DISTRICT 5 - MORFAN CITY  
WILSON T. GAUTREAUX  
1326 SECOND STREET  
DISTRICT 5 - MORFAN CITY  
GREGORY J. HAMER  
1105 CHESTNUT DRIVE  
DISTRICT 5 - MORFAN CITY  
JERRY HOFFPAUR  
P. O. BOX 1708  
DISTRICT 5 - MORFAN CITY  
JOE C. RUSSO  
410 EIGHTH STREET  
DISTRICT 5 - MORFAN CITY

THE REGULAR MONTHLY MEETINGS SECOND WEDNESDAY AND FOURTH WEDNESDAY OF EACH MONTH AT 4:30 P. M.

Local and Parochial Committee  
Constitutional Convention  
Baton Rouge, Louisiana 70804

Attention: Mr. Chalin Perez, Chairman

Dear Mr. Perez:

Attached hereto is a copy of a resolution that was adopted on September 12, 1973 by the St. Mary Parish Police Jury which endorses the final draft of Article VI, (Local Government) as presented by the Local and Parochial Committee and expressing this Police Jury's appreciation and thanks for the efforts of the entire committee during the preparation of this draft.

With our sincere thanks and many best wishes, we remain,

Sincerely yours,

ST. MARY PARISH POLICE JURY  
LEE T. CHAMPAGNE, PRESIDENT

BY: Connie A. Martin  
(Miss) Connie A. Martin  
Secretary

CAM

Enclosure

CC: Members of the Local and Parochial Committee  
Mr. F. O. Winchester, St. Mary Parish delegate  
Mr. Anthony J. Guarisco, St. Mary Parish delegate



THE REGULAR MONTHLY MEETINGS SECOND WEDNESDAY AND FOURTH WEDNESDAY OF EACH MONTH AT 4:30 P. M.

## POLICE JURY

PARISH OF ST. MARY  
FIFTH FLOOR - COURTHOUSE  
FRANKLIN, LOUISIANA 70538  
September 17, 1973

LEE T. CHAMPAGNE  
PRESIDENT  
JOE C. RUSSO  
VICE-PRESIDENT  
CONNIE A. MARTIN  
SECRETARY  
MISS MARTHA SIMONTON  
TREASURER  
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JERRY HOFFPAUR  
P. O. BOX 1708  
DISTRICT 5 - MORFAN CITY  
JOE C. RUSSO  
410 EIGHTH STREET  
DISTRICT 5 - MORFAN CITY

THE REGULAR MONTHLY MEETINGS SECOND WEDNESDAY AND FOURTH WEDNESDAY OF EACH MONTH AT 4:30 P. M.

Hon. Chalin Perez  
Chairman  
Local and Parochial Committee  
Constitutional Convention  
Braitwaite, Louisiana 70040

Dear Mr. Perez:

Enclosed herewith is a copy of a resolution which was adopted by the St. Mary Parish Police Jury in regular session on September 12, 1973 which urges that the delegates to the Constitutional Convention remove those provisions which have so severely restricted the abilities of local governments to provide the services to the people of Louisiana.

Copies of the resolution are also being sent to St. Mary Parish's delegates to the Convention and to the Governor, Edwin W. Edwards for consideration.

Thanking you for your outstanding efforts during the Convention and with kind regards, we remain,

Very truly yours,

ST. MARY PARISH POLICE JURY  
LEE T. CHAMPAGNE, PRESIDENT

BY: Connie A. Martin  
(Miss) Connie A. Martin  
Secretary

CAM

Enclosure

CC: Governor Edwin W. Edwards  
Mr. F. O. Winchester  
Mr. Anthony J. Guarisco, Jr.

### RESOLUTION

RESOLUTION

WHEREAS, the St. Mary Parish Police Jury realizes the amount of time, and effort the members of the Local and Parochial Committee dedicated to the drafting of Article VI (Local government) and

WHEREAS, believes that the Article as drafted, if adopted, will help to improve the quality of local governments throughout the State of Louisiana,

NOW, THEREFORE BE IT RESOLVED BY THE St. Mary Parish Police Jury in regular session convened this the 12th day of September, 1973, that they do wish to go on record as commending and thanking each and every member of the Local and Parochial Committee for their work and also that they fully endorse the the final draft of Article VI, (Local Government) as presented by the Committee and urge for adoption of said article in its entirety.

THUS DONE AND APPROVED by the St. Mary Parish Police Jury in regular session convened this the 12th day of September, 1973.

APPROVED:

Lee T. Champagne  
LEE T. CHAMPAGNE, PRESIDENT  
ST. MARY PARISH POLICE JURY

ATTTEST:

Connie A. Martin  
CONNIE A. MARTIN, SECRETARY  
ST. MARY PARISH POLICE JURY

WHEREAS, the abilities of the local governments in the State of Louisiana to provide the necessary services to its people have been severely restricted and in some areas of services hamstrung by the archaic and restrictive provisions in Louisiana's present constitution;

WHEREAS, citizens attuned to the affairs of government in Louisiana have long recognized the cumbersome constitution of the State of Louisiana with relation to providing services in all facets of government;

WHEREAS, the people of our State are deeply appreciative of the opportunity afforded to them by the Louisiana Legislature and the Edwards' administration for the opportunity to participate and involve themselves in the historical opportunity to re-write Louisiana's antiquated constitution;

WHEREAS, the delegates to the Constitutional Convention have worked long and hard to attain the input the citizenry of this State via public hearings on all articles of the proposed constitution;

WHEREAS, the Local and Parochial Committee of the Constitutional Convention has drafted an article on local government which removes virtually all the inhibitions and restraining provisions thereby giving local governments in the State of Louisiana the necessary instruments through which to provide the ever demanding services by local officials.

NOW, THEREFORE BE IT RESOLVED that the Police Jury of the Parish of St. Mary, does hereby urge the delegates to the Constitutional Convention

to remove those provisions which have so severely restricted the abilities of local governments to provide the services to the people of our State.

THUS DONE AND APPROVED by the St. Mary Parish Police Jury In regular session convened this the 12th day of September, 1973.

APPROVED:

*Lee T. Champagne*  
LEE T. CHAMPAGNE, PRESIDENT  
ST. MARY PARISH POLICE JURY

ATTEST:

*Connie A. Martin*  
CONNIE A. MARTIN, SECRETARY  
ST. MARY PARISH POLICE JURY

adoption by the Lafayette Parish Police Jury, Lafayette, Louisiana at its regular meeting held on September 13, 1973.

Your cooperation in this matter will be appreciated.

Yours very truly,

*Ida T. Spell*  
Ida T. Spell  
Secretary-Treasurer

ITS/:

Enclosure

RESOLUTION

WHEREAS the abilities of local governments in the State of Louisiana to provide the necessary services to its people have been severely restricted and in some areas of services hamstrung by the archaic and restrictive provisions in Louisiana's present constitution;

WHEREAS citizens attuned to the affairs of government in Louisiana have long recognized the cumbersome constitution of the State of Louisiana with relation to providing services in all facets of government;

WHEREAS the people of our State are deeply appreciative of the opportunity afforded to them by the Louisiana Legislature and the Edwards' administration for the opportunity to participate and involve themselves in the historical opportunity to re-write Louisiana's antiquated constitution;

WHEREAS the delegates to the Constitutional Convention have worked long and hard to attain the input the citizenry of this State via public hearings on all articles of the proposed constitution;

WHEREAS the local and Parochial Committee of the Constitutional Convention has drafted an article on local government which removes virtually all the inhibitions and restraining provisions thereby giving local governments in the State of Louisiana the necessary instruments through which to provide the ever-demanding services by local officials;

NOW THEREFORE BE IT RESOLVED THAT the Parish of Lafayette does hereby urge the delegates to the Constitutional Convention to remove those provisions which have so severely restricted the abilities of local governments to provide the services to the people of our State.

/s/ Ida T. Spell  
Secretary

/s/ Walter S. Comeaux, Jr.  
President

RESOLUTION  
By Messrs: F. N. Fabacher & Charles Arceneaux

WHEREAS the abilities of local governments in the State of Louisiana to provide the necessary services to its people have been severely restricted and in some areas of services hamstrung by the archaic and restrictive provisions in Louisiana's present constitution;

WHEREAS citizens attuned to the affairs of government in Louisiana have long recognized the cumbersome constitution of the State of Louisiana with relation to providing services in all facets of government;

WHEREAS the people of our State are deeply appreciative of the opportunity afforded to them by the Louisiana Legislature and the Edwards' administration for the opportunity to participate and involve themselves in the historical opportunity to re-write Louisiana's antiquated constitution;

WHEREAS the delegates to the Constitutional Convention have worked long and hard to attain the input the citizenry of this State via public hearings on all articles of the proposed constitution;

WHEREAS the local and Parochial Committee of the Constitutional Convention has drafted an article on local government which removes virtually all the inhibitions and restraining provisions thereby giving local governments in the State of Louisiana the necessary instruments through which to provide the ever-demanding services by local officials;

NOW THEREFORE BE IT RESOLVED THAT the Parish of Acadia does hereby urge the delegates to the Constitutional Convention to remove those provisions which have so severely restricted the abilities of local governments to provide the services to the people of our State.

Adopted: September 11, 1973.

ATTEST:  
M. E. KIRK  
SECRETARY

AARON CART  
PRESIDENT

\*\*\*\*\*  
CERTIFICATE

I, M. E. KIRK, Secretary of the Acadia Parish Police Jury, do hereby CERTIFY the above to be a correct copy of a Resolution adopted at the regular meeting of September 11, 1973.

BY *M. E. Kirk*  
SECRETARY

I, Ida T. Spell, Secretary-Treasurer, Lafayette Parish Police Jury, hereby certify that the above is a true and correct copy of a resolution adopted by the Lafayette Parish Police Jury at a regular meeting of said Jury held on September 13, 1973.

*Ida T. Spell*  
Ida T. Spell, Secretary-Treasurer



OFFICE OF THE POLICE JURY  
OFFICERS  
WALTER S. COMEAUX JR  
PRESIDENT  
LOUIE S. CAMPBELL  
VICE PRESIDENT  
IDA T. SPELL  
SECRETARY-TREASURER

LAFAYETTE, LA 70501  
September 19, 1973

- MEMBERS
- PAUL RIFT
- EDDIE BIFWENS
- ANTHONY ANDER BILLEY
- MARCO A. BOW NOIE SR
- C. J. DELHOMME
- ALBANE HENROD
- L. PAUL BOGNAVO
- CHARLES W. LALENGE
- LEO S. DITCH
- JOHN V. BROUSSEARD
- WALTER S. COMEAUX
- MANNING J. BROUSSEARD
- ERIC ARCEAUX
- LOUIE S. CAMPBELL
- WALLACE LEON

POLICE JURY  
PARISH OF JACKSON  
Second Floor - Courthouse  
JONESBORO, LOUISIANA 71251

September 10, 1973

- OFFICERS
- PRESIDENT  
J EARL ALEXANDER
- VICE PRESIDENT  
RODNEY M. ALEXANDER
- Safety Trust  
J W TEMPLETON JR

- MEMBERS
- District 1  
RODNEY M. ALEXANDER  
P O 1  
Quinn LA  
Phone 338 4181
- District 3  
J B CHAMBLESS  
P O 1  
Elys LA  
Phone 348 3411

Honorable Edwin W. Edwards, Governor  
Honorable E. L. "Bubba" Henry, Chairman  
Honorable Chalin Perez

Gentlemen:

Attached you will find a resolution adopted

Mr. Chalin Perez  
Chairman of Local and Parochial Committee,  
Braithwaite, Louisiana, 70040

Dear Sir:

Enclosed herewith is a certified copy of a resolution

District 3  
ALF REDMAY  
Clifton, La.  
Phone 747 3443

District 4  
A. J. WYATT  
Rt. 3, Box 129  
Jonesboro, La.

District 5  
J. A. WATSON  
Rt. 3, Box 81, B  
Jonesboro, La.  
Phone 117-7286 or 731-3076

District 6  
I. S. GARDNER  
P. O. Box 347  
Jonesboro, La.  
Phone 117-3187

District 7  
GENE DARRK  
Rt. 3, Box 231  
Jonesboro, La.  
Phone 117-3542

District 8  
J. EARL ALEXANDER  
Alexander St  
Jonesboro, La.  
Phone 117-3536 or 731-2100

District 9  
C. J. BARNES  
P. O. Box 48  
Jonesboro, La.  
Phone 117-3881

District 10  
JAMES E. BRADFORD  
113 Park St  
Jonesboro, La.  
Phone 117-3595

by the Jackson Parish Police Jury in regular session on September 10, 1973.

Gentlemen, the Jury feels that this matter is of utmost importance to all local governing bodies and urges you to help all you can. Any help you can give will be very much appreciated.

Thank you for your time concerning this matter.

Yours truly,

*J. W. Templeton, Jr.*  
J. W. Templeton, Jr.  
Sec'y-Treas.

Attachment

The Regular Monthly Meeting is the second Monday of each Month

JACKSON PARISH POLICE JURY  
LOUISIANA 70057

763-2233  
783-2030  
523-0615

HARNEY HODDER  
PRESIDENT  
LEONARD J. DOUGLASS  
VICE PRESIDENT  
STUART A. SCHILLACI  
TREASURER  
INCE R. L. ILLIACI  
CLERK  
ALBERT C. LAQUE  
ADMINISTRATOR

September 14, 1973

Hon. Edwin Edwards  
Governor  
State of Louisiana  
State Capitol  
Baton Rouge, Louisiana 70804

Dear Gov. Edwards:

We are enclosing a copy of a resolution requesting that Police Juries be granted the same opportunity afforded municipalities which will allow us more local governing authority.

We further request that the article on local government be retained as drafted by the Local and Parochial Committee including the section which would remove local governments from the expropriation proceedings now being recommended and leave the expropriation proceedings by local governments as they exist in the present constitution.

Yours truly,  
*Inez R. Schillaci*  
INEZ R. SCHILLACI  
SECRETARY

irs

cc: Hon. Chalin Perez ✓  
E. J. Landry  
Sen. Harvey Peltier  
Rep. Ralph Miller

Hahnville, Louisiana  
September 10, 1973

RESOLUTION #1093

WHEREAS the abilities of local governments in the State of Louisiana to provide the necessary services to its people have been severely restricted and in some areas of services hamstrung by the archaic and restrictive provisions in Louisiana's present constitution;

WHEREAS citizens attuned to the affairs of government in Louisiana have long recognized the cumbersome constitution of the State of Louisiana with relation to providing services in all facets of government;

WHEREAS the people of our State are deeply appreciative of the opportunity afforded to them by the Louisiana Legislature and the Edward's administration for the opportunity to participate and involve themselves in the historical opportunity to re-write Louisiana antiquated constitution;

WHEREAS the delegates to the Constitutional Convention have worked long and hard to attain the input the citizenry of this State via public hearing on all articles of the proposed constitution;

WHEREAS the Local and Parochial Committee of the Constitutional Convention has drafted an article on local government which removes virtually all the inhibitions and restraining provisions thereby giving local governments in the State of Louisiana the necessary instruments through which to provide the ever-demanding services by local officials;

NOW THEREFORE BE IT RESOLVED THAT the Parish of Jackson does hereby urge the delegates to the Constitutional Convention to remove those provisions which have so severely restricted the abilities of local governments to provide the services to the people of our State.

*J. Earl Alexander*  
J. Earl Alexander, President  
Jackson Parish Police Jury

Attest:

*J. W. Templeton, Jr.*  
J. W. Templeton, Jr., Sec'y-Treas.  
Jackson Parish Police Jury

WHEREAS: the abilities of local governments in the State of Louisiana to provide the necessary services to its people have been severely restricted and in some areas of services hamstrung by the archaic and restrictive provisions in Louisiana's present constitution; and

WHEREAS: citizens attuned to the affairs of government in Louisiana have long recognized the cumbersome constitution of the State of Louisiana with relation to providing services in all facets of government;

WHEREAS: the people of our State are deeply appreciative of the opportunity afforded to them by the Louisiana Legislature and the Edwards' administration for the opportunity to participate and involve themselves in the historical opportunity to re-write Louisiana's antiquated constitution;

WHEREAS: the delegates to the Constitutional Convention have worked long and hard to attain the input the citizenry of this State via public hearings on all articles of the proposed constitution;

WHEREAS: the Local and Parochial Committee of the Constitutional Convention has drafted an article on local government which removes virtually all the inhibitions and restraining provisions thereby giving local governments in the State of Louisiana the necessary instruments through which to provide the ever-demanding services by local officials,

NOW, THEREFORE, BE IT RESOLVED that the Parish of ST. CHARLES does hereby urge the delegates to the Constitutional Convention to remove those provisions which have so severely restricted the abilities of local governments to provide the services to the people of our State.

Inez R. Schillaci, Secretary, St. Charles Parish Police Jury, do hereby certify the above to be a true and correct copy of the minutes

... Police Jury of a meeting held September 10, 1970 at which a quorum was present and I hereby affix my seal.

IRENE R. SCHILLACI  
SECRETARY

State of Louisiana  
Parish of Winn  
September 17, 1973

On a motion by Mr. Harrell and a second by Mr. Plunkett the Winn Police Jury adopted the following resolution.

RESOLUTION

WHEREAS, the abilities of local governments in the State of Louisiana to provide the necessary services to its people have been severely restricted and in some areas of services hamstrung by the archaic and restrictive provisions in Louisiana's present constitution; and

WHEREAS, citizens attuned to the affairs of government in Louisiana have long recognized the cumbersome constitution of the State of Louisiana with relation to providing services in all facets of government; and

WHEREAS, the people of our State are deeply appreciative of the opportunity afforded to them by the Louisiana Legislature and the Edwards' administration for the opportunity to re-write Louisiana's antiquated constitution; and

WHEREAS, the delegates to the Constitutional Convention have worked long and hard to attain the input the citizenry of this State via public hearings on all articles of the proposed constitution; and

WHEREAS, the Local and Parochial Committee of the Constitutional Convention has drafted an article on local government which removes virtually all the inhibitions and restraining provisions thereby giving local governments in the State of Louisiana the necessary instruments through which to provide the ever-demanding services by local officials;

NOW THEREFORE BE IT RESOLVED THAT the Parish of Winn does hereby urge the delegates to the Constitutional Convention to remove those provisions which have so severely restricted the abilities of local governments to provide the services to the people of our State.

*Burford A. Williams*  
Burford A. Williams, President

*Roy L. Johnson*  
Roy L. Johnson, Secretary-Treasurer

I, Roy L. Johnson, Secretary-Treasurer of the Winn Parish Police Jury, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Jury at a regular meeting held on the 17th day of September 1973, at which a quorum was present.

GIVEN UNDER MY OFFICIAL signature and seal of office on this 18th day of September 1973.

*Roy L. Johnson*  
Roy L. Johnson, Secretary-Treasurer  
Winn Parish Police Jury

On motion by Troy W. Thompson, Jr., seconded by Stanley L. Perry, the following resolution was introduced and adopted:

RESOLUTION

A resolution expressing support for Committee Proposal Number 17, introduced by the Committee on Local and Parochial Government to the Constitutional Convention of Louisiana of 1973, making general provisions for local and parochial government, levee districts, and ports, the financing thereof, and necessary provisions with respect thereto.

WHEREAS, the Committee on Local and Parochial Government has worked several months in a sincere effort to resolve the pressing problems of local government in Louisiana; and

WHEREAS, the Committee Proposal authorizes parishes and municipalities to adopt home rule charters subject to approval by the people in the parish or municipality affected; and

WHEREAS, the Committee Proposal granting residual authority and power to local government to act unless such authority is specifically restricted or prohibited by the constitution, by general law, or by charter would be consistent with the principles of home rule; and

WHEREAS, this Police Jury desires to express its position with respect to the Louisiana Constitution, and particularly those provisions that will result in granting local governmental units independence, resources, and flexibility required to govern themselves in a responsive and responsible manner;

NOW, THEREFORE, BE IT RESOLVED by the Police Jury of the Parish of LaFourche, the governing authority of said Parish:

Section 1. That this Police Jury expresses its support for the Committee Proposal and urges its adoption by the Constitutional Convention.

Section 2. That a copy of this resolution shall be forwarded to each member of the Committee on Local and Parochial Government.

Section 3. That the Chairman of the Committee on Local and Parochial Government, the Honorable Chalin O. Perez, shall call to the attention of the delegates to the Constitutional Convention the contents of this resolution when he presents the Committee Proposal to convention.

Thomas M. Barker, President  
LAFOURCHE PARISH POLICE JURY

Ruben J. Boudreaux, Secretary  
LAFOURCHE PARISH POLICE JURY

STATE OF LOUISIANA  
PARISH OF LAFOURCHE

I, Ruben J. Boudreaux, Secretary of the Lafourche Parish Police Jury, do hereby certify that the above and foregoing resolution is a true and correct copy of the resolution adopted by the Lafourche Parish Police Jury at a regular meeting held on the 11th day of September, 1973, at which a quorum was present. Witness my hand and seal of office at Thibodaux, Louisiana this 11th day of September, 1973.  
RUBEN J. BOUDREAUX,  
Secretary.

... JONES, President  
... ALL, Secretary-Treasurer  
... MARGARET STEVENS, Ass. Secy. Treas.

NORMAN SULLIVAN, Vice President  
SIGNEY L. WALL, Ass. Secy. Treas.  
VIVIAN RUTH HANCOCK, Ass. Secy. Treas.

THE POLICE JURY

And Ex Officio Commissioners Consolidated Gravity Drainage District Number 1  
And Rural Fire Protection District Number 2  
Tangipahoa Parish, Louisiana  
AMITE LOUISIANA 70422

RESOLUTION

WHEREAS, the abilities of local governments in the State of Louisiana to provide the necessary services to its people have been severely restricted and in some areas of services hamstrung by the archaic and restrictive provisions in Louisiana's present constitution;

WHEREAS, citizens attuned to the affairs of government in Louisiana have long recognized the cumbersome constitution of the State of Louisiana with relation to providing services in all facets of government;

WHEREAS, the people of our State are deeply appreciative of the opportunity afforded to them by the Louisiana Legislature and the Edwards' administration for the opportunity to participate and involve themselves in the historical opportunity to re-write Louisiana's antiquated constitution;

WHEREAS, the delegates to the Constitutional Convention have worked long and hard to attain the input the citizenry of this State via public hearings on all articles of the proposed constitution;

WHEREAS, the Local and Parochial Committee of the Constitutional Convention has drafted an article on local government which removes virtually all the inhibitions and restraining provisions thereby giving local governments in the State of Louisiana the necessary instruments through which to provide the ever-demanding services by local officials;

NOW, THEREFORE, BE IT RESOLVED that the Parish of Tangipahoa does hereby urge the delegates to the Constitutional Convention to remove those provisions which have so severely restricted the abilities of local governments to provide the service to the people of our State.

On motion by Mr. Rube Rogers duly seconded by Mrs. Gertrude B. Wittie the above resolution was unanimously adopted this 11th day of September, 1973.

MEMBERS OF THE BOARD

DISTRICT NAME & ADDRESS	DISTRICT NAME & ADDRESS	DISTRICT NAME & ADDRESS	DISTRICT NAME & ADDRESS
1. CHARLES V. DRUDE P. O. Box 243 Ponchartroule	1. ASWELL ROBERTSON Rte. 2 Box 58 (3) Hammond	2. JOHN A. TRAPEN P. O. Box 1005 Hammond	3. HUGH V. BRACY SR. Rte. 2 Amite
1. LLOYD (HANK) JONES P. O. Box 973 Hammond	1. MRS. GERTRUDE B. WITTE Rte. 2 Hammond	3. NORMAN SULLIVAN 8025 W. Centre Amite	4. ROY LEE P. O. Box 681 Parishow
1. B. ROLLERS P. O. Box 271 Ponchartroule	2. JOHN W. JONES Rte. 1 B. & 26 Ave. Thibodaux		

# C. Louisiana Bond Attorneys' Correspondence

LAW OFFICES

BENTON, BENTON, BENTON & DODSON  
A PROFESSIONAL LAW CORPORATION  
801 ST. FERDINAND ST.  
BATON ROUGE, LOUISIANA 70802

FRED O. BENTON SR.  
FRED O. BENTON JR.  
THOMAS H. BENTON  
RICHARD J. DODSON

TELEPHONE AREA 504 942 5238

May 24, 1973

Mr. John W. Cox  
Cox, Huppenbauer, Michalis & Osborne  
707 National Bank of Commerce Building  
New Orleans, La. 70112

Mr. Harold Judell  
Poley, Judell, Beck, Bewley, Landwehr  
225 Baronne  
New Orleans, La.

Mr. Willis McDonald  
McDonald & Buchler  
3014 Metairie Road  
Metairie, Louisiana

Gentlemen

I assume that you have received copies of two letters of May 22, 1973, one from Mr. Gene P. Tarver, Coordinator of Research for the Constitutional Convention, enclosing certain proposed provisions now under consideration by the Subcommittee Drafting General Provisions for the article on local and parochial government and the Subcommittee on Finance as to several items specified in the letter.

Also, one from Mr. Chalin O. Perez, Chairman of the Committee on Local and Parochial Government, requesting the bond lawyers to offer suggestions for the new Constitution in respect to municipal and parochial finance.

I am enclosing a copy of the data in order to make certain that you will have one in hand. An early conference is essential and I am suggesting that the three of you agree on an early convenient date for such a conference in New Orleans where we can hopefully agree on a consensus. Both Fred Jr. and I will attend.

I am sure we would not be inclined to differ too much as to the suggested matters as it appears that most of the subjects are well handled, but there are subjects omitted that probably could be supplemented with a relatively few suggestions that might be to the advantage of the parties. Thus we would not get too much

Page 2

involved and would confine ourselves to suggestions of the kind noted, and perhaps a few comments by way of improvement and adaptation.

It is my belief that we can make a substantial contribution. I do think that an early conference among us is necessary and I wish this might be arranged in New Orleans.

Yours sincerely,

Fred G. Benton, Sr.

FGBer/je

Enclosures

cc: Mr. Chalin O. Perez  
Mr. Gene P. Tarver

LAW OFFICES OF  
MCDONALD, BUCHLER & MOREL  
3014 METAIRIE ROAD - Post Office Box B  
METAIRIE, LOUISIANA 70005

WILLIS C. McDONALD  
HAROLD A. BUCHLER  
EUGENE J. MOREL  
ERNEST H. HANEWINCEL

June 21, 1973

AREA 504  
TELEPHONE 937-7280

Mr. Steve Glasell  
Senior Research Assistant  
Constitutional Convention of 1973  
State of Louisiana  
Post Office Box 17740-A  
Baton Rouge, Louisiana 70803

Dear Mr. Glasell:

This acknowledges receipt of and expresses our appreciation for the copies of the proposed sections to be considered by the Finance Subcommittee of the Committee on Local and Parochial Government on Saturday, June 23, 1973. It will not be possible for our group of bond attorneys to have prepared and present by that time a statement of their views on this subject but we are meeting in Baton Rouge at 10:00 A. M. on Monday, June 25, 1973, and shall have our comments thereon prepared very shortly thereafter. They will then be submitted to you.

We thank you for your cooperation.

Sincerely yours,

McDonald, Buchler & Morel

WILLIS C. McDONALD

WCMCD/kh

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801 ST. FERDINAND STREET  
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FRED O. BENTON SR.  
FRED O. BENTON JR.  
THOMAS H. BENTON  
RICHARD J. DODSON

TELEPHONE (504) 342-5238

June 23, 1973

Mr. Gene F. Tarver  
Coordinator of Research  
Constitutional Convention of 1973  
Post Office Box 17740-A  
Baton Rouge, Louisiana 70803

Dear Gene:

I know you have received a copy of a proposal involving Louisiana deep water ports, filed by Mr. Dennis Grace of the New Orleans Port.

The three ports involved are New Orleans, Baton Rouge, and Lake Charles.

We have joined in this report insofar as it goes. It does not cover specific tax problems involving the Lake Charles Harbor & Terminal District involving Article XIV, Section 30.1, and Article 6-A, paragraph 1, and 6-A, paragraph 5, the gasoline tax. These are covered in a report I have prepared for Revenue, Finance and Taxation, to be considered by Senator Rayburn's Committee next week. This is a short report, and I am enclosing several copies.

My committee, dealing with the data forwarded by you to coordinate and review preparation of provisions to be included in the new Constitution relative to municipal and parochial finance, is to hold a second meeting here in my office on Monday, and I will make an effort to get some kind of report ready to be filed before the Sth, which is, as I understand it, Mr. Perez' present deadline date.

In the meantime, call me if you have any suggestions to make.

Sincerely yours,

Fred G. Benton, Sr.

FGBSr/b

enclosure

REPORT TO REVENUE, FINANCE AND TAXATION COMMITTEE  
IN RE LAKE CHARLES HARBOR & TERMINAL DISTRICT  
JUNE 22, 1973, 10:00 O'CLOCK A.M.

Article XIV, Section 30.1 authorizes the Legislature generally to create and defines ports, deep water and otherwise; to incur debt and issue bonds; and to levy and collect taxes.

Lake Charles Port created by Act 67 of 1924; thereafter, amended many times and reduced to R.S. 34:201, et seq. R.S. 34:201, et seq. includes R.S. 34:209, which empowers the Port to

levy a 2-1/2 mill tax for five years, as embodied in Act 389 of 1950, this extended to fifteen years in Act 369 of 1970.

From the foregoing summary it is plain the Lake Charles Port, which has received the benefit of a 2-1/2 mill property tax available for bonding up to 15 years, and for any other general port purposes, as embodied in R.S. 34:209, would be stripped of any authority to levy and collect any such tax without Article XIV, 30.1.

Article 6-A, 4¢ gasoline tax authorized as additional tax, defined in detail in 6-A, paragraph 1, consisting of two pages; 6-A, paragraph 5, 2-1/2 pages, makes allocation of tax.

In Article 6-A, paragraph 5, 1/20th of this tax is levied specifically in favor of the Port of Lake Charles. Other allocations are made to the New Orleans Port and to the Highway purposes, as spelled out in detail therein.

Article 6-A, paragraph 1 levies the tax and determines exactly how the tax is to be assessed and collected.

Article 6-A, paragraph 5 makes an allocation of the tax to several beneficiaries, including the Highway Commission, the New Orleans Port and the Lake Charles Port. The Lake Charles port is 1/20th of the amount received from the tax, and at the present time is approximately the sum of \$700,000 yearly.

Both the 2-1/2 mill tax and the gasoline tax, together with the net income, are presently serving as the basis for the issuance of approximately \$4 million dollars in bonds, recently approved and sold by the State Bond Commission at a very favorable interest rate.

It is plain beyond question that Article 6-A, paragraphs 1 and 5 must be retained in the new Constitution, just as written.

Tax Exemption

Article X, Section 4, sub-paragraphs 19(a), 19(b), 19(c), insuring cargoes in transit freedom from State taxes, whether as imports to State of Louisiana, or as cargoes in transit in inter-state commerce, or as cargoes located upon docks in Louisiana, very necessary to give Louisiana ports competition with Mobile and Texas ports where similar tax exemption is allowed.

June 28, 1973

Committee on Local and Parochial Government  
Constitution Convention of 1973  
State of Louisiana  
Post Office Box 17740-A  
Baton Rouge, Louisiana 70803

Gentlemen:

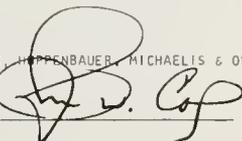
Transmitted herewith are the recommendations of the Louisiana Bond Attorneys on the general draft by the Committee on Local and Parochial Government and the draft of the Finance Subcommittee which were transmitted to us for comment. We shall be pleased to place ourselves at the disposal of the Committee for any assistance which it may believe we can render.

Respectfully,

BENTON, BENTON, BENTON & OOSON

COX, HOFFENBAUER, MICHAELIS & OSBORNE

By \_\_\_\_\_

By 

FOLEY, JUDELL, BECK, BEWLEY & LANDWEHR

MCDONALD, BUCHLER & MOREL

By \_\_\_\_\_

By 

RECOMMENDATIONS BY LOUISIANA BOND ATTORNEYS

ON

DRAFT PROPOSAL

BY SUBCOMMITTEE ON FINANCE

(JUNE 14-15, 1973)

Article \_\_\_\_\_, Section 1

We recommend that the sentence beginning in line 15 and ending in line 18, "These millage rates may be increased in any parish when approved by a majority of the electors of the parish voting in an election held for that purpose." the words "These millage rates may be increased in any parish when approved by a vote of the majority of the electors voting in an election held for that purpose." be substituted therefor.

In line 11 we would eliminate the word "operating". The same word should be eliminated in line 25.

In line 21, after the word "levy" add "without a vote of the electors".

Article \_\_\_\_\_, Section 2

It is recommended that the word "operating" be eliminated in line 20.

Eliminate lines 27 through 30 and substitute therefor:

"These millage rates may be increased in any municipality when approved by a majority of the electors voting in an election held for that purpose. This section shall not apply to the City of New Orleans."

Article \_\_\_\_\_, Section 3

It is also recommended that an additional paragraph be added to Section 3 to read as follows:

"For the purpose of acquiring, constructing, improving, maintaining and operating any work of public improvement, any political subdivision may levy special taxes when authorized by a majority of the electors voting in an election held for that purpose."

Article \_\_\_\_\_, Section 4

It is recommended that an additional sentence be added at the beginning of this section to read as follows:

-1-

"Bonds, the principal and interest of which are secured by and payable from ad valorem taxes levied without limitation as to rate or amount, shall be termed general obligation bonds."

In lines 27 and 28, eliminate the wording "principal of and interest on all" and substitute therefor the words "general obligation", and in lines 28 and 29 eliminate the wording "that are payable from taxes levied without limitations as to rate or amount".

Line 35 should be changed to read "to pay principal and interest and redemption premiums, if any, on such bonds as they mature."

Article \_\_\_\_\_, Section 5

It is recommended that the words "General obligation" be added

before the first word in this section, and following the word "bonds" the wording "payable from ad valorem taxes levied without limitation as to rate or amount" should be eliminated.

In line 17 eliminate the words "in number".

In line 18, after the word "electors" add the wording "voting at an election".

In line 19, place a period after the word "bonds" and eliminate the wording "voting on the proposition." and also eliminate the wording in the next sentence "Funding and" and have the word "refunding" begin with a capital letter.

In line 21, we would eliminate the words "at an election".

In line 22, eliminate the words "funded or".

In line 23, also eliminate the words "funding or".

In line 27, eliminate the words "funded or".

Article \_\_\_\_\_, Section 6

It is recommended that immediately after the designation "(A)" and before the word "Bonds" we would add "General Obligation" and in lines 21 to 23 we would eliminate the wording "which are payable wholly or in part from ad valorem taxes levied without limitations as to rate or amount".

In line 24, it is recommended that this line read as follows: "sion for any single purpose designated by the Legislature which, including the existing"

In line 30, after the word "assessment" we would add the word "roll" and after the word "for" we would add "the political subdivision" and we would eliminate the wording "state and parish purposes".

-2-

It is recommended that lines 33, 34 and 35 be rewritten to read as follows:

"other school districts, such limitation shall be twenty-five percent, and except as to general obligation industrial development bonds, such limitation shall be twenty percent, of the assessed valuation of the taxable property."

We would recommend the rewriting of lines 1 and 2 in sub-section (B) to read as follows:

"Any municipality financing and operating its own schools and not located within a parishwide or"

It is recommended that sub-section (D) be reworded as follows:

"Bonds and other debt obligations payable from acreage taxes, sales and use taxes, excuss revenues, special assessments and other special revenues shall not be considered to be bonds payable solely from ad valorem taxes for all purposes of this section."

Article \_\_\_\_\_, Section 7

It is recommended that the word "special" be eliminated in lines 11 and 18 of sub-section (A). Also in line 18, after the word "tax" we would add the word "assumption".

In line 21, after the words "authority to" we would add the words "incur or assume debt, levy the tax, or".

In line 22, after the word "taxes", we should add "or other revenues".

In line 26 of sub-section (B) after the words "of bonds" we would add the words "or other debt obligations", and in line 32, after the words "the bonds" we would add the same wording.

In line 1 on page 8 after the word "bonds" we would also add "or

other debt obligations", and in line 4 after the word "bonds" we would add the same wording, and in line 5, after the word "bonds" we would add the wording "or other debt obligations".

Article \_\_\_\_\_, Section 8

In sub-section (A) line 25, after the words "purpose of" we would add the word "acquiring".

In sub-section (B) line 28, in place of the word "the" we would substitute "any such".

-3-

In lines 31 and 32 we recommend that the wording "to the payment of the certificates of indebtedness" be eliminated.

We recommend that sub-section (C) be rewritten to read as follows:

"(C) The governing authority of the political subdivision issuing certificates of indebtedness payable from sources other than ad valorem taxes, and pledging its full faith and credit to the prompt payment of the principal and interest thereof, shall levy or cause to be levied ad valorem taxes without limitation as to rate or amount on all taxable property in the political subdivision fully sufficient to make up any deficit in the other sources of revenue pledged to the payment of the certificates."

Article \_\_\_\_\_, Section 9

In line 28 it is recommended that the first word be changed from "corporations" to "subdivisions" and in the same line after the word "bonds" add the words "or other debt obligations".

In line 30 after the word "bonds" add the words "or other debt obligations".

In line 34 the last word should be changed from "corporation" to "subdivision".

It is recommended that an additional section be added to be designated as Section 10 and to read as follows:

"Section 10. The legislature shall provide the procedure under which political subdivisions levy taxes, issue bonds, or other debt obligations, or assume debt, and may authorize covenants in connection with the security and payment of such obligations, which covenants shall not be impaired so long as the obligations remain outstanding."

June 28, 1973

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RECOMMENDATIONS BY LOUISIANA BOND ATTORNEYS

ON

DRAFT "A" OF GENERAL PROVISIONS  
LOCAL AND PAROCHIAL GOVERNMENT ARTICLE  
(for consideration June 1, 2, 1973)

The recommendations made in connection with this draft of the article mentioned above shall be limited to Sections 11, 12, 23 and 27.

Article \_\_\_\_\_, Section 11

It is recommended that this section be rewritten to read as follows:

"Section 11. (A) In addition to any other powers granted by the legislature, the governing authority of a political subdivision shall have the following powers over any agency heretofore or hereafter created by it: (1) to appoint and remove members of the governing body of the agency; (2) to exercise budgetary and fiscal control over the agency, including the power to modify or veto its operating budgets, in whole or in part; or to substitute a different budget therefor; (3) to abolish the governing body of the agency and to substitute itself therefor, with authority to exercise all of its powers and functions; and (4) to merge, consolidate or abolish the agency if the obligations or indebtedness of the agency are not thereby impaired or if provision for the assumption of its obligations is made in accordance with Section 12 hereof; (5) to approve the levying of any tax or issuance of any bonds, or other debt obligations, prior to its submission to the electorate.

(B) If the creation of the agency required the concurrence of two or more such governing authorities, concurrence of all of them shall be required for the exercise of the above powers."

Article \_\_\_\_\_, Section 12

It is recommended that Section 12 be rewritten to read as follows:

"Section 12. Any political subdivision may assume the debt of any other political subdivision situated and having jurisdiction entirely within the boundaries of such political subdivision and upon such debt assumption the political subdivision assuming such obligations shall succeed to and be vested with all of the rights, revenues, resources, jurisdiction, authority and powers of the political subdivision whose debt is assumed. No such action shall take effect unless a majority of the electors who vote in an election held in the political subdivision assuming the obligation, vote in favor of the proposition."

It is further recommended that Sub-Section (B) be eliminated.

Article \_\_\_\_\_, Section 23

It is recommended that this Section be eliminated entirely from the Constitution. We see no alternative to this course of action.

It would require voter approval on all local or special statutes

which would be passed in the future and the time and expense of this would be immense if we continued to have such local or special acts. It would also create a number of evils which we probably are not able to fully foresee at the present time, but among those which are foreseeable, they are sufficient to justify the action recommended. We feel that parishes, municipalities or any other political subdivisions could be classified on a basis which would make it impossible or very difficult for them to operate.

In addition to this, the tremendous expense which might be involved in multiple elections could be an argument against this section. This would prevent the authorization of particular bond issuance in special situations

Article \_\_\_\_\_, Section 27

It is recommended that in sub-paragraph 2. of this Section,

line 26, after the word "general" the words "or special" be included.

Dated June 28, 1973

July 7, 1973

Hon. Chalin O. Perez  
1836 Commerce Building  
New Orleans, Louisiana 70112

Dear Chalin

I am suggesting that to amplify and to achieve the clear

purpose of the language you provided in the amendment suggested by you that the language "including their powers and functions" be stricken and that there be substituted in lieu thereof "including their taxing and other powers and functions," making the paragraph read

"All deep water port commissions and all deep water port, harbor and terminal districts as they are now organized and constituted, including their taxing and other powers and functions, structure and organization, and territorial jurisdiction, are ratified and confirmed and shall continue to exist, except that"

Since the suggestion is so plainly in accord with the purposes, I was thinking perhaps it could come as a staff correction, or in any event, as has been suggested by Mr. Glassell, it is a correction that should be approved by you or by the Committee.

Sincerely yours,

Fred G. Benton, Sr.

FGBSr/b

carbon copies

Mr. Chalin O. Perez  
1973 Constitutional Convention  
P. O. Box 17740-A  
Baton Rouge, Louisiana

Mr. Steve Glassell  
1973 Constitutional Convention  
P. O. Box 17740-A  
Baton Rouge, Louisiana

Mr. Gene Tarver  
1973 Constitutional Convention  
P. O. Box 17740-A  
Baton Rouge, Louisiana

July 6, 1973

Mr. Gene F. Tarver  
Coordinator of Research  
State of Louisiana,  
Constitutional Convention of 1973  
Post Office Box 17740-A  
Baton Rouge, Louisiana 70803

Dear Gene:

I have just finished reading rather closely practically all of the proposals of the Committee on Local and Parochial Government. Preempting any small part our committee may have played in the matter, the work is a splendid example of dedicated and studious application to the task at hand.

I would wish that all phases of the Constitution might be evolved in some such fashion, as if so, the people will really have something to vote for, to be proud of in the years to come.

There is always the opportunity for improvement, and I am sure that in the months to follow, the Committee on Local and Parochial Government will continue to establish and maintain a high criterion of Constitution-making.

Perhaps I should be writing this letter to Mr. Perez. I am going to ask you to hand a copy of this letter to Mr. Perez, and ask him to express to the Committee personally the feeling of satisfaction that my committee had in helping in respect to some phases of municipal finance.

Mr. Gene F. Tarver

-2-

July 6, 1973

After I have finished my reading of the proposal having to do with Revenue and Finance, I may of necessity have some further comments to make, and I will consider it a good privilege to remain in close contact with you and Steve Glassell and your associates.

Sincerely,

Fred G. Benton, Sr.

FGBSr/b

enclosure

cc: Mr. Steve Glassell

BENTON, BENTON & BENTON  
A PROFESSIONAL LAW CORPORATION  
801 ST. FERDINAND STREET  
BATON ROUGE, LOUISIANA 70802

FRED G. BENTON, SR.  
FRED G. BENTON, JR.  
THOMAS H. BENTON

TELEPHONE 1504-343600

October 11, 1973

Mr. Gene F. Tarver  
Coordinator of Research  
State of Louisiana  
Constitutional Convention of 1973  
P. O. Box 17740-A  
Baton Rouge, Louisiana 70803

Re: Committee on Governmental and Parochial  
Committee on Revenue and Taxation

Dear Gene:

The extreme difficulty confronting anyone trying to follow the action of the Convention in its present stage is, of course, well known to you. Information is now available that Rayburn's Revenue and Taxation Committee that would require all of the revenue of the Lake Charles, Baton Rouge and New Orleans Ports to be deposited in the General Fund of the State is to remain an open question, and that there is also the suggestion that these Ports should become legislative upon a vote of less than 2/3rds of the members of the Legislature. Further, that the multiple Governmental and Parochial Committee provisions that were finally approved by the Committee have now been put in a state of suspense. Where there are no further public hearings, and where apparently a lot of vital questions are to be resolved right on the floor of the Convention, it seems almost impossible to outline any constructive program that would enable anyone to have the opportunity to follow through on this business, either to get information or to give information, and I am wondering if there may be any constructive plan that could be carried out.

I know that if anyone knows about this, you do, and if you can find the time to check on the items I mention and write me your thoughts on the potential procedural aspects that lie ahead, and what, if anything can be done to know in advance what may happen in respect to any vital question, I will appreciate it.

Mr. Gene F. Tarver

-2-

October 11, 1973

I would suspect that the suspension of the items that were approved appertaining to Governmental and Parochial, inclusive of all of the bond laws, would probably be adopted in the end, and that the purpose in the suspension will be more policy than any suggestion of a difference of opinion. Do you think I am right in this?

It may be that some of these other points I mention can be pretty well anticipated at this time, as, for example, Senator Rayburn's plan to require all of the revenues to be deposited

in the General Fund of the State and, also, the idea advanced by someone that the 2/3rds rule serving as the means of converting to a statute should be changed to a less number.

I will appreciate it if you will find the time to write me a note upon these points.

Sincerely yours,

Fred G. Benton, Sr.

FGBSr/b

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A PROFESSIONAL LAW CORPORATION  
801 ST. FERDINAND STREET  
BATON ROUGE, LOUISIANA 70802

FRED G. BENTON, SR.  
FRED G. BENTON, JR.  
THOMAS H. BENTON

TELEPHONE 1504-343600

December 27, 1973

Mr. Gene F. Tarver  
Coordinator of Research  
State of Louisiana,  
Constitutional Convention of 1973  
Post Office Box 17740-A  
Baton Rouge, Louisiana 70803

Dear Gene:

Gordon Kean advises that the proposed constitutional provisions pertaining to deep water ports, including both the Perez suggestions and the Rayburn suggestions (Parochial-Revenue & Taxation) have been agreed upon and that the Perez provisions have been left intact, with only an exception contained in Revenue and Taxation that the provision there originally tampering with the funds of deep water ports by transferring to the State agency should be restricted to ports other than deep water ports. In other words, as I understand it, the deep water ports have been excepted so that the law to all practical intents and purposes remains the same as it was finally approved by the Perez committee.

I wish I might obtain a copy of the official action taken by these two committees in respect to these ports, as Lake Charles Harbor & Terminal District is calling on me to produce this information. Thanks so much, Gene, if you can help me out on this.

Sincerely,

Fred G. Benton, Sr.

FGBSr/b

# D. Correspondence to Staff

MOON LANDRIEU, (Mayor), President  
THOMAS R. SPEDDEN, President Pro Tem

F. A. WEBB, JR., General Manager  
J. N. BALL, Sec'y. Treas. Auditor and  
Asst. General Manager

JONES WALKER, WAECHTER, POITEVENT  
CARRERE & DENEGRE, General Counsel

EXECUTIVE OFFICES TEL. No. 525 6282

COMMISSIONERS  
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THEODORE M. HICKEY  
ROBERT E. ELLIOTT  
CLAIBORNE PERRILLIAT  
PAUL V. BURKE  
WILLIAM J. CHILDRESS

## PUBLIC BELT RAILROAD COMMISSION

CITY OF NEW ORLEANS

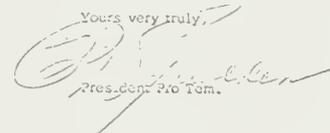
SUITE 1247 INTERNATIONAL TRADE MART BUILDING  
No. 2 CANAL STREET  
P. O. BOX 51658

NEW ORLEANS, LA. 70151

April 30, 1973

COMMISSIONERS  
THOMAS R. SPEDDEN  
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LLOYD F. GAUBERT  
ROBERT S. MALONEY  
FRANKLIN M. SCHILLING  
ALEX C. COCKE  
CLIFFORD A. MILLER  
N. N. GORDON

audience with your Committee for a full discussion of the entire subject.

Yours very truly,  
  
President Pro Tem.

cc: Hon. Dorothy Taylor  
Hon. Johnny Jackson, Jr.  
Mr. Jos. I. Ciarrusso  
Mrs. Mary Zervigon

bc: Members of the Commission

Mr. R. J. Eames  
Research Staff  
Constitutional Convention  
P. O. Box 17740-A  
Baton Rouge, Louisiana 70803

Dear Mr. Eames:

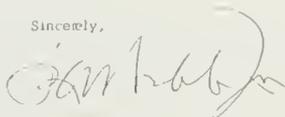
In line with our telephone conversation today, attached is copy of letter of April 17 from President Pro Tem. T. R. Spedden to Mr. Chalin O. Perez, with copies to the members of the Sub-committee on Boards and Commissions in New Orleans of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana, with which he transmitted a statement outlining the facts which we believe require that the status of the Public Belt in the Constitution be maintained.

Also attached is copy of Mr. Spedden's letter of April 25 to Mr. Perez, with copy to the members of the New Orleans Sub-committee, advising that at a Special Meeting of the Commission April 24 to review the statement which accompanied Mr. Spedden's letter of April 17, that the Commission unanimously approved the statement except for Paragraph 2, pages 5 and 6, dealing with the makeup of the Public Belt Commission and length of terms.

In view of divergence of opinions, each Commissioner has been requested to submit, in writing, his views of what should be included in Paragraph 2 concerning the makeup of the Commission.

All good wishes.

Sincerely,



MOON LANDRIEU, (Mayor), President  
THOMAS R. SPEDDEN, President Pro Tem

F. A. WEBB, JR., General Manager  
J. N. BALL, Sec'y. Treas. Auditor and  
Asst. General Manager

JONES WALKER, WAECHTER, POITEVENT  
CARRERE & DENEGRE, General Counsel

EXECUTIVE OFFICES TEL. No. 525 6282

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WILLIAM J. CHILDRESS

## PUBLIC BELT RAILROAD COMMISSION

CITY OF NEW ORLEANS

SUITE 1247 INTERNATIONAL TRADE MART BUILDING  
No. 2 CANAL STREET  
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NEW ORLEANS, LA. 70151

April 25, 1973

COMMISSIONERS  
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LLOYD F. GAUBERT  
ROBERT S. MALONEY  
FRANKLIN M. SCHILLING  
ALEX C. COCKE  
CLIFFORD A. MILLER  
N. N. GORDON

cc: Hon. Dorothy Taylor  
2724 Melpomene St.  
New Orleans, La. 70113

Hon. Johnny Jackson, Jr.  
2814 Clout St.  
New Orleans, La. 70117

cc: Mr. Jos. I. Ciarrusso  
6008 Cameron Blvd.  
New Orleans, La. 70122

Mrs. Mary Zervigon  
c/o Mayor's Office, City Hall  
New Orleans, Louisiana 70112

Mr. Chalin O. Perez  
Braithwaite, Louisiana 70040

Dear Mr. Perez:

This refers to my letter of April 17, transmitting a statement in response to request of April 12 from Sub-Committee Chairman Johnny Jackson, Jr., concerning treatment of the Public Belt Railroad in the Constitution.

As you are aware, because of the time factor, the full Commission did not have an opportunity to review the statement before it was sent to you. At a Special Meeting of the Commission April 24 to review the statement, the Commission unanimously approved it, except for paragraph No. 2, pages 5 and 6.

As to paragraph No. 2, dealing with the makeup of the Public Belt Commission, the Commission wishes to give it further study and prepare an amended paragraph 2, which will be sent to you within a short time.

Hereafter the Commission will appreciate being granted an

Mr. Chalin O. Perez  
4/17/73 - page 2

bc: President and All Commissioners

Attached is copy of letter of April 12 from Chairman Johnny Jackson, Jr., Committee on Boards and Commissions in New Orleans, CC-73, received April 13.

In view of the fact that the information was due to be furnished to the Committee by today, April 17, there was no time to have further consultation with the Commission, hence the attached statement was prepared based on opinions previously developed from the members of the Special Constitutional Convention Committee and previous general discussions on the subject.

T. R. Spedden

History and Purposes of the Public Belt Railroad Commission

The Public Belt Railroad Commission (Public Belt) was originally created in 1904 by Ordinance No. 2683, N.C.S., for the purpose of eliminating the restrictions on the free movement of rail freight traffic through the City of New Orleans which had theretofore existed because of the competitive interests of the railroad industry. Subsequent to its establishment the Belt was incorporated into the Constitution in order to provide secure financing for the construction and operation of the Belt system. By later amendment to the Constitution, the Belt was directed to construct, operate and maintain the Huey P. Long Bridge. Today, the Belt system serves the area from West Bridge Junction on the West side of the Huey P. Long Bridge to Lake Pontchartrain and the Dock Board Bulk Terminal on the Mississippi River Gulf Outlet. The Public Belt system covers approximately 25 miles and consists of approximately 150 miles of main line tracks, yard tracks and sidings and connections and interchanges with 6 trunkline railroads. The Belt system serves approximately 170 industries with private sidings and 7.2 miles of wharves owned and operated by the Board of Commissioners of the Port of New Orleans (Dock Board). All of the Belt's operations are on the east side of the Mississippi River and it is the only railroad capable of serving the wharves of the Dock Board and most of the industries reached by its lines. The Public Belt is an essential adjunct to the Port of New Orleans without which the Port could not operate. Its solvency and the integrity of its bonds and bonding capacity are essential.

By the Ordinance which established the Belt and the provisions of the Constitution (Article 14, §26) the Public Belt system is declared to be the sole property of the people of the City of New Orleans which shall in no way or manner ever be hypothecated or alienated. The Constitution authorizes the Public Belt to issue revenue bonds to be used for the development, extension and construction of the Public Belt system. Even though these are revenue bonds, the full faith and credit of the City is pledged to the repayment of these bonds and the City is obligated to assess a tax against the property owners of the City of New Orleans in the event that the Belt's revenues are insufficient to pay the principal and interest on said bonds. Bonds in the aggregate amount of \$3,500,000 were issued. As

-2-

of the present time, there is outstanding in bonds and notes the sum of \$1,540,000. The Constitution further authorizes the Belt to issue notes and bonds and to re-

finance the maturing bonds. Because its revenues are sometimes insufficient to pay bonds as they mature most, if not all, of the bonds originally issued have been refinanced utilizing this constitutional authority. The Belt also has additional constitutional authority to issue new bonds as needed for the development, extension and addition to the Public Belt system.

By authority of the Louisiana Constitution (Article 14, §28) the Belt built, owns and operates the Huey P. Long Bridge in Jefferson Parish. The bridge was completed in 1935 at a cost of approximately \$12,000,000; \$7,000,000 of which was contributed by the State of Louisiana and the remainder by the Public Belt Railroad Commission through the issuance of revenue bonds. The bonds issued by the Belt to construct the bridge have been paid and retired. Forty per cent of the cost of maintaining and operating the bridge is borne by the State Highway Department, the remainder by the trunkline railroads using the bridge (SP Transportation Company and TP-MP Terminal Railroad of New Orleans) and Belt on a proportionate basis.

The Belt's income is derived entirely from the

-3-

revenues it receives for providing switching services to industries on its line and the wharves of the Port. Approximately 90% of the Public Belt's revenues are derived from switching services it performs for the account of trunkline railroads. The Public Belt is an interstate railroad carrier whose rates and operations are subject to the jurisdiction of the Interstate Commerce Commission.

Suggested provisions in Constitution.

1. Because of circumstances which existed at the time of the adoption of the City Ordinance and the existing constitutional provisions there were good reasons to prohibit any business or governmental agency other than the Public Belt from having anything to do with the operation, management and control of the Public Belt system. Circumstances have changed and it appears that under current and foreseeable circumstances the limitation on the Belt's right to contract with others for the operation of the Belt currently contained in Article 14, §26, should be eliminated so that the Belt can do that which is in the best interest of the people of the City of New Orleans and the business of the Port. In this connection, it is suggested that the Public Belt Railroad Commission be specifically authorized to contract with either the trunkline railroads entering

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New Orleans or the Dock Board for the operation and maintenance of the Public Belt system so that all efficiencies and economics in connection with the operation of the system in conjunction with the Port facilities might be realized.

At the present time Committees of the Belt and the Dock Board are meeting to determine how the operation of the Public Belt system might be undertaken by the Dock Board and whether it would be feasible or advisable to place the control of the Dock Board properties and the Public Belt properties under the same Board. However, in view of the fact that the wharves and Port facilities are owned by the State and administered by the Dock Board while the Public Belt is owned by the people of the City of New Orleans, difficult financial and constitutional problems exist in attempting to consolidate the Boards of these agencies.

2. Pursuant to the Constitution and the ordinance originally establishing the Belt, the Public Belt is composed of the Mayor and 16 citizen taxpayers chosen as set forth in the establishment ordinance, as amended by the Constitution of 1921. It is suggested that any new constitutional provision provide for shorter terms and fewer commissioners, retaining, however, the independent character

dealings with the other transportation companies essential to the successful operation of the Port of New Orleans. It can be demonstrated that the Belt's favorable borrowing ability and its ability to contract favorably with others is directly traceable to the stability afforded the Belt because of its constitutional status. Because the existence of a Public Belt system is so important to the business of the Port, it is imperative that the Belt's management prerogatives and financial integrity be maintained free of the possibility of direct political intervention.

3. The Belt was the vehicle through which the New Orleans Union Passenger Terminal was constructed. Except that it has representation on the Operating Committee of the terminal it has no direct continuing responsibility. Certainly these provisions of the Constitution insofar as the Belt is concerned could be substantially curtailed or eliminated. It should be emphasized, however, that any change in the NCUPT should be carefully worked out to avoid any possible violation of the contractual arrangements with the railroads that underlie the cost of the operation thereof.

4. Between the Dock Board and the Public Belt there is already a conflict for the primary purpose of assuring the efficient and proper operation of the Port of New Orleans.

of the Board by providing for appointment by the Mayor and the City Council from nominations supplied by civic organizations. It is suggested that the existing provision of the Constitution be changed to accomplish the following:

- a. Reduce the number of Commissioners from 16 to 7 with staggered terms of 7 years each rather than the present 16-year terms;
- b. The Commission to be composed of the following:
  - (i) The Mayor of the City of New Orleans;
  - (ii) Two members appointed by the Mayor with the advice and consent of the City Council;
  - (iii) Four members appointed by the Mayor from nominations of one member each by the following organizations:
    - The New Orleans Board of Trade;
    - Chamber of Commerce of the New Orleans Area;
    - The Green Coffee Association;
    - New Orleans Sugar Exchange;
  - (iv) At the present time the Belt operates in Jefferson Parish and may in the future be required to operate in St. Bernard Parish. One representative on the Commission from each of these two parishes should preferably be provided for. At the present time, however, the City of New Orleans is solely responsible for the payment of the Belt's bonded indebtedness.

There is no conceptual reason why there be any right now consolidated. However, because the Dock Board and its wharves are owned by the State and the Public Belt and its properties are owned by the City, the financial arrangements that might be necessary in order to provide for a consolidated board must be acceptable to the City of New Orleans and the State of Louisiana. Because the problem of consolidation may constitutionally be difficult the same operating results could probably be obtained by broader authority to the Commission to contract with the Dock Board for operation of the Belt as a division of the Dock Board so that effective the Belt's properties would not become a constitutional problem.

5. The Public Belt bonds and notes issued to refinance outstanding bonds have historically enjoyed an exceedingly favorable interest rate. Additionally, because of the Belt's constitutional status it has enjoyed an advantage in its



E. L. HENRY, CHAIRMAN  
Public Belt Railroad Commission  
P. O. Box 51658  
New Orleans, Louisiana 70151

April 12, 1973

Dear Sir:

On Friday, April 20, 1973, the Subcommittee on Boards

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GENERAL OFFICE

and Commissions in New Orleans of the Committee on Local and Parochial Government of the Constitutional Convention of Louisiana, will begin its work. As you may be aware, committees of the convention must submit their proposals, insofar as they are completed, to the delegates as a whole by June 22. Please submit to Mr. Chalin Perez, Chairman of the Committee, to me, and to the other subcommittee members, Joseph Giarrusso, Sr., Representative Dorothy Mae Taylor, and Mary Zervigon, by April 17, any suggestions you may have as to the treatment of your agency in the new constitution. If you feel that you need constitutional status, please explain why and submit a model constitutional provision. In addition, please outline what changes you suggest and the reasons for them.

The timely submission of your recommendations is very important as we will begin writing on April 20. Thank you very much for your assistance.

Sincerely yours,

  
Johnny Jackson, Jr., Chairman  
Subcommittee on Boards and  
Commissions in New Orleans

JJ/rf

BENTON, BENTON, BENTON & DODSON

PROFESSIONAL LAW CORPORATION  
801 ST FERDINAND STREET  
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TELEPHONE (504) 343-6611

July 6, 1973

Mr. Gene F. Tarver  
Coordinator of Research  
State of Louisiana,  
Constitutional Convention of 1973  
Post Office Box 17740-A  
Baton Rouge, Louisiana 70803

Dear Gene:

I appreciate your communication of July 5, 1973, enclosing the final report of the Committee on Local and Parochial Government. I also got a copy of the Rayburn Revenue and Finance Committee report from Steve Glassell. You fellows are certainly accommodating, and I appreciate it very much.

I notice that in Section 7, page 4, "Existing Home Rule Charters and Plans of Governments of Parishes and Municipalities," you ratified the home rule charters in a number of places, including New Orleans, Baton Rouge and Shreveport, but you apparently entirely overlooked Lake Charles.

I certainly think you could make this correction directly when you read the following.

The Home Rule Charter of the City of Lake Charles was approved by the electorate and became effective in that City on July 1, 1961. Under it, the Council is the governing authority of the City for purposes of both legislation and policy making. The authority for this is found in Article XIV, Section 40 (Act 245 of 1952) of the Constitution, where in Sub-Section (c), we find the following:

Mr. Gene F. Tarver

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July 6, 1973

"(c) The Legislature shall provide by general law a method whereby any municipality may frame a home rule charter and adopt same by a vote of the majority of its qualified electors voting thereon at an election to be held as prescribed by law. Home rule charters so adopted shall be amended, modified or repealed in a similar manner." (Emphasis supplied)

I am sure this was simply an oversight, and I would like to be advised that it has been corrected.

I am sure that you can call Mr. Perez' attention to this oversight, and I certainly would not think it would require anything other than just a correction entry in the provision as presently written, as no one has ever questioned the home rule status of that city.

Sincerely,

  
Fred G. Benton, Sr.

FGBSr/b

carbon copies:

Mayor James E. Sudduth  
Lake Charles, Louisiana

Mr. Robert M. McHale  
City Attorney  
Post Office Box 1591  
Lake Charles, Louisiana

LOUISIANA LEGISLATIVE COUNCIL

BOX 44012 CAPITOL STATION  
BATON ROUGE LOUISIANA 70804  
TELEPHONE (504) 389 6141



REPRESENTATIVE CLAUDE LEACH, JR.  
CHAIRMAN  
SENATOR THEODORE M. HICKEY  
VICE CHAIRMAN

October 17, 1973

DEVAN D DAGGETT  
EXECUTIVE DIRECTOR  
MRS. NORMA M. DUNCAN  
ASSISTANT DIRECTOR  
MRS. OLIVIE REED MAZ  
ACTING ASSISTANT DIRECTOR

Mrs. Norma Duncan  
Research Director  
CC '73

Dear Mrs. Duncan:

You asked for my comments on the clause "levied without limitation as to rate or amount" appearing in Sec. 40A of the Local Government Committee proposal No. 17. The section establishes limitations as percentages of total property values for bond issues for political subdivisions. The limitations apply to general obligation bonds payable solely from ad valorem taxes levied without limitation as to rate or amount.

While the clause sounds quite familiar I have been unable to find its use elsewhere. It is not in the present constitutional limitation provision in Art. XIV, Sec. 14(f) nor in the amendment of this section proposed by Act 213 of 1973. The proposal in 1971 of the constitutional revision commission doesn't use the clause but the description of the bonds to be included in the limitation as "bonds which are payable solely from ad valorem taxes to be levied so as to be sufficient to pay the interest annually or semi-annually and the principal falling due each year" (proposed Art. 14.4(A)) appears to have the same meaning as "levied without limitation as to rate or amount." The limitation provision in the Revised Statutes, R.S. 39:562, is the same as in Art. XIV, Sec. 14(f). Mr. Charles F. Caennie, Jr. of the state treasurer's office tells me that the clause is used in resolutions of the state bond commission approving political subdivision bond issues secured by ad valorem taxation.

Aside from where I may have seen the clause used before, I am not sure as to its purpose in describing bonds to be used in calculating the debt limitation. I thought at first it was to exclude excess revenue bonds but I later saw these are specifically excluded in Subsection D of Sec. 40. There are some port commission bond authorizations that permit bonds to be secured by port revenues derived from port operations "or received by the commission from any taxes authorized" where the authorized taxes are limited to not to exceed 2 1/2 mills (Art. VI, Secs. 32, 33, 34, 35, 36.1; R.S. 34:2151-2157). Possibly it was the intention of drafters of Sec. 40A to exclude from the debt limitation

Mrs. Norma Duncan  
Page 2  
October 17, 1973

bonds of these commissions and any other bonds secured by taxes that are limited in rate (There may be others than the port commissions I have mentioned as I only made a brief search).

At first blush, I questioned whether such exclusion was proper, reasoning that since the ad valorem taxes are subdivision-wide, it would be appropriate protection for bond holders to include bonds that are secured by a tax, regardless whether or not the tax is limited as to rate. That is correct, I believe, if the tax is imposed solely to secure the bonds. But in the case of the port commissions I mentioned, the levy of the tax is authorized whether or not bonds are issued and use of the tax to secure the bonds seems optional. This, of course, puts any bonds secured by the tax in the same position as excess revenue bonds. The tax is payable whether or not bonds are issued, so that bondholders of bonds secured by other taxes can have no complaint. The tax paying liability of the subdivision has not been increased by the issuance of the bonds.

Is there any problem as to existing bonds? Conceivably if there is an existing bond issue secured by a tax limited as to rate, a holder of such a bond might complain that the exclusion of the bond from the debt limitation dilutes his security as it may increase the total amount of bonds dependent on the tax base more than was permitted when his bond was issued. I doubt that this is any real problem, as I think it is extremely unlikely that there is outstanding any significant amount of bonds of any subdivision secured by a tax limited in rate.

I began this letter with a feeling, as expressed in my telephone conversation with you, that the "levied without limitation as to rate or amount" was unnecessary and the designation of general obligation bonds as "payable solely from ad valorem taxes" was sufficient. I've about convinced myself now that the clause doesn't hurt and in fact may be necessary. If you discuss this with your staff I'd be interested in knowing their view.

Sincerely,

  
Wilson B. Holcombe

WBH/mhh

# E. General Correspondence and Statements of Witnesses

LEROY YOUNGBLOOD  
PRESIDENT  
COLFAX, LA

FLOYD A. LABARRIE  
FIRST VICE-PRESIDENT  
NAPOLEONVILLE, LA

EDGAR MATHORN  
SECOND VICE-PRESIDENT  
ALEXANDRIA, LA

HANNING BROUSSARD  
THIRD VICE-PRESIDENT  
LAFAYETTE, LA

## Police Jury Association of Louisiana

JAMES T. HAYS  
EXECUTIVE SECRETARY  
SUITE 200, CAPITOL HOUSE HOTEL  
BATON ROUGE, LA 70821  
PHONE 343-2833



FRANK FREDERIC  
TREASURER  
211 E. WORTHLEY RD  
GONIALES, LA

My name is Jimmy Hays, Executive Secretary of the Police Jury Association of Louisiana. As all of you know the Police Jury Association is composed of the local parish-wide governing authorities of all of our 64 parishes. These are the authorities which exercise general local governmental control and provide local government services to all of the people of the parishes, furnishing all services to those persons who reside out of incorporated municipalities and furnishing many local governmental services to all persons in the parish whether or not they reside within or without municipalities. For example - the police juries furnish all services in connection with the operation of the parish courthouses, the administration of justice, the collection of taxes, as well as other services such as ambulance service, hospital and health services and local welfare services. There are many other services which the juries furnish not enumerated above.

For many years the primary function of police juries was to build and maintain roads and provide for drainage. As a result of this many citizens have the misconception that police juries are only engaged or interested in needs concerning roads. Due to the growth of the government; however, and the demand for many services on the local level, police juries now have become general units of government concerned with almost every aspect of providing services for citizens on the local level. Under our present constitution as interpreted by our courts police juries are considered to be creatures of the legislature with only those specific powers delegated to them by the legislature and on some occasions incidental powers to perform such acts as are necessary to accomplish the authority given to the juries by legislative grant. This present situation places both police juries and other parish governing authorities restrictions which prevent the solving of local problems at the local level and requiring that when situations arise for which no authority has been granted that the local governing authorities must go to the legislature to obtain authority to act in these areas. A primary problem caused by the present situation is the fact that the local governing authority can not immediately respond to a local need and since it has no presently delegated authority from the legislature it must wait until such time as the legislature convenes to obtain this authority. In years when the legislature convenes in fiscal session this presents an additional problem since many of these needs of local government will not be of a fiscal nature and this causes additional delay until the necessary regular session of the legislature to solve problems which could and should be dealt with expeditiously.

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Another problem created by our present situation is that the police juries and other local parish governments must of necessity bring before the legislature such items as legislation requesting authority to deal with junk automobiles, cut grass on vacant lots, regulate the use of air rifles, perform ambulance service and many other functions too numerous to name but which can readily be seen by examining the record of the past few sessions of the legislature. Much of the legislature's time was taken up with the enactment of specific grants of authority to various police juries. We, therefore, recommend to the Committee that provisions in the new constitution grant broad authority to police juries to perform general governmental functions and to exercise any legislative powers on the local level which are not denied by the constitution or general laws of the State of Louisiana. Such a provision would not give the local governing authorities complete and absolute authority since the legislature would place limits upon this authority by general laws in cases where the legislature felt local governing authorities should not act. It would, however, grant to local governing authorities the power to solve local problems that may arise which had not been anticipated and for which specific legislative authority had not been granted. Such a provision has been approved in the model state constitution published by the National Municipal League and had been approved in principle by the Goals for Louisiana Committee. We strongly urge serious consideration of such constitutional provision by this Committee.

Another difficulty imposed upon local governments by our present constitution is the 4-mill ad valorem tax limitation for general operating purposes imposed upon the parishes by Article 14, Section 11 of the constitution. It is our view that such a limitation should not be contained in the constitution since a limitation which may be realistic today or which may have been realistic in 1921 will not be a remaining realistic limitation and would necessitate constitutional amendment to bring about changes. It would be well to suggest that there be no millage limitation placed in the constitution and that the legislature be authorized to set such limitations. Again, this would not give local governing authorities a complete free hand but would eliminate the constitutional restriction and the necessity of constitutional amendment in order to bring about change.

The Association has gone on record as approving those amendments which were submitted to the people by the constitutional revision committee and which removed from the constitution special districts, boards, agencies and commissions and grant to the legislator the right to create these districts and to provide for such power and authority that it deems proper including the power of taxation and to incur debt and issue bonds. The inclusion of special districts in the constitution has prompted a great number of amendments requiring citizens all over the State to vote upon whether or not some special district about which they have no knowledge and no concern should be allowed to raise its millage, change the composition of its board, etc. The constitutional protection which many of these districts originally desire has, in fact, become a restricting source preventing growth and change.

-3-

The Association is in favor of retaining those provisions which provide that parish lines can not be changed or new parishes created or a parish dissolved without submitting the matter to a vote of the people involved. The same would be true of provision regarding the changing of the location of the parish seat of government. Finally, we join the Louisiana Municipal Association in its efforts to include a provision which would prohibit the legislature from imposing additional financial obligations on local government without providing them with additional revenues to meet such obligations.

The Police Jury Association of Louisiana sincerely appreciates the opportunity afforded to testify before this committee and make its views known. We look forward to working with the committee and the convention in the great effort of constitutional revision and will be happy to work with the committee or any individual member in discussing and drafting of provisions relating to local government. There are many other constitutional provisions which may affect local government and we have tried to cover in our testimony this morning those which we believe to be of primary concern. We would be happy, however, to appear again before the committee should any matters arise and upon which we may furnish information or assistance.

3/19/73

### LOUISIANA POPULATION

Total State Population	3,643,180
Reside inside municipal limits, or 57.79%	2,105,452
Reside outside municipal limits, or 42.16%	1,537,728
Reside in New Orleans or 28.8%	593,471



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P.O. BOX 4473 BATON ROUGE LOUISIANA 70804

September 25, 1973

F. L. HENRY CHAIRMAN

TO: The Honorable E. B. Rayburn, Chairman  
Committee on Revenue, Finance and Taxation

FROM: Chalin O. Perez, Chairman  
Committee on Local and Parochial Government

RE: Resolution of areas of conflict between the two  
committee proposals

At its meeting on Friday, September 21, 1973, the Committee on Local and Parochial Government discussed the areas of conflict between its proposal and the proposal of the Committee on Revenue, Finance and Taxation. In particular, the committee discussed the four amendments proposed by Mr. Conroy (see attached) which were drafted to resolve the areas in conflict. The committee took the following action on the four amendments:

(1) Amendment No. 1 which is intended to exempt persons from paying a parish occupational license tax if they pay a municipal license tax. The committee agrees with the purpose of this amendment, however, we feel that the language may not exactly express the desired result. For this reason, we have requested the staff to redraft the amendment for consideration at our next committee meeting.

(2) Amendment No. 2 which deletes the Section taking the state out of the property tax business. There are strong feelings in our committee that this Section should be retained in our proposal. Thus, we feel this Section should be left to a vote of the convention.

(3) Amendment No. 3 which deletes the paragraph requiring political subdivisions to levy an ad valorem tax to make up any deficit in other sources of revenue pledged to the payment of certificates of indebtedness. The committee is willing to support this amendment which deletes Paragraph (C) of Section 42.

(4) Amendment No. 4 which places an "except as otherwise provided in this constitution" clause in front of the Section on Ports. The committee desires to further study this matter before reaching a decision.

We feel the two joint committee meetings were beneficial and are pleased that we have been able to resolve at least two areas of conflict.

FLOOR AMENDMENT

\*\*\*nor shall private property be taken for public use without just compensation. Amendment V, U.S. Constitution.

No person shall be deprived of life, liberty, or property except by due process of law. Except as otherwise provided in this constitution, private property shall not be taken or damaged except for public purposes and after just and adequate compensation is paid. Article I, Sec. 2, Louisiana Constitution of 1921.

Lands and improvements thereon hereafter actually used or destroyed for levees or levee drainage purposes . . . shall be paid for at a price not to exceed the assessed value of the preceding year; provided that this shall not apply to batture . . . Article XVI, Sec. 6, Louisiana Constitution of 1921.

Servitudes imposed for the public or common utility, relate to the space which is to be left for the public use by the adjacent proprietors on the shores of navigable rivers, and for the making and repairing of levees, roads and other public or common works. All that relates to this kind of servitude is determined by laws or particular regulations. Revised Civil Code, art. 665.

The authority for the method by which Louisiana builds levees for the purpose of channeling the multitude of watercourses which crisscross the state is contained in the above-quoted provisions of our law. This memorandum has as its purpose an examination of the Louisiana levee appropriation system and whether this scheme passes Federal constitutional muster.

I. ORIGIN

The two primary sources of the riparian servitude for levee purposes lie deeply rooted in Louisiana's history. One source, of course, is the venerable Code Napoleon; the other source appears to have come about because of the exigencies created by almost unique geography of the Louisiana Territory.

Article 649 of the French Code provided: "Servitudes established by law have for object the public or communal utility, or the utility of private persons." Article 650 was a continuation of the idea begun in the preceding article: "Those established for the public or communal utility have for object the towpaths along the navigable or floatable rivers, the construction or repairing of roads and other public or communal works. All that concerns this kind of servitude is determined by laws or particular regulations." Eldridge v. Treszevant 160 U.S.452, 16 S.Ct. 345, 347, 40 L.Ed. 490 (1895). Not only was this concept incorporated into Louisiana's codification of the Civil Law, but the "law or particular regulations" implementing it made no provision for compensating the riparian landowner until 1892, long after Louisiana had become a state and had ceased to be subject to French Law. This meager provision though, was limited to lands in Orleans Parish. Dickson v. Board of Com'rs. of Caddo Levee District 210 La. 121 26 So.2d 479 (1946). It was not until the Constitution of 1921 that there was a general provision in

the state's constitution to provide compensation for lands taken along navigable streams for levee purposes. Dickson, supra. See also La. Const. art. XVI, Sec. 6.

The other source of the riparian servitude appears to have resulted from a recognition of the peculiar geographical and geophysical characteristics of the State. From the earliest times in Louisiana's history it was recognized that the land was low-lying and that the watercourses would have to be contained, channelled and tamed in order to support any kind of habitable settlements. The Dickson case, supra, contains an interesting and elucidating historical discussion of the servitude. So far as it is here pertinent, the case is liberally paraphrased.

It appears that whenever the French or Spanish governments made land grants, there was always a specific reservation, from the common use of the public, of all rights to the shores of rivers or bayous upon which the lands fronted. Thus, the sovereigns never divested themselves of title to the lands immediately adjacent to the navigable waterways. This policy was incorporated into the famed Les Sieste Partidas and subsequently into the first Civil Code of Louisiana in 1805.

When the French and Spanish governments divested themselves of the lands in Louisiana, they also required the grantee to build levees and to keep them in good repair. It should be noted that the individual landowner and not the governmental authority, was charged with the duty of levee-building. Over the years, however, the state intervened on several occasions by requiring certain standards

9 27-73

Appearance by James D. Prescott, Executive Secretary Louisiana School Boards Association Before 1973 Constitutional Convention Committee on Local and Parochial Government

- 1. Are we correct in assuming that school boards are included in the term "political subdivisions" as used in your Committee Proposal, despite the wording in Section 29 which implies otherwise?
2. If necessary, would the Committee object to amending Section 29 and to specifying the inclusion of school boards in the definition of "political subdivisions" found in Section 51?
3. If deemed more desirable, would the Committee object to excluding school boards from the term "political subdivisions", but specifically inserting school boards or school districts in applicable Sections?
4. In such a case would the Committee object to amending Section 16 to identify school boards and to reflect their shared financial arrangement for school costs?
5. In the event that the Committee objects to amending Section 16, would it be receptive to adding a Paragraph B or an additional Section on mandated costs for school boards?

to be met in levee construction and by specifying certain penalties for failure to properly maintain a levee. Finally, in 1878, the legislature created the Board of State Engineers and charged it with the responsibility of levee construction and maintenance. Since then the construction of levees has been a governmental operation.

It is from these historical sources that the riparian servitude for levee use derives its present day vitality. There can be no question but that the state, or other competent governmental authority, has the right and power to take any and all steps for the protection of the public from a common danger or threat, such as floods. In essence, that is one of the primary aims of government.

## II. NATURE

Before discussing the nature of the servitude, one must understand that what is meant by the term "nature" is a determination of whether the exercise of the servitude falls under the classification of eminent domain, expropriation or appropriation.

The terms "eminent domain," "expropriation," and "appropriation" are familiar enough; they all relate to the taking of private property for public use. Unfortunately, they are frequently, but incorrectly, used interchangeably.

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As two noted scholars have said:

There are intended lines of differentiation amongst these terms, although it is clear that the lines have not always been respected or understood by Louisiana courts or commentators. All three, to be sure, describe aspects of the power which government has to compel the transfer of existing ownership of property. The most inclusive phrase, eminent domain, is a general heading identifying this authority. (At common law this would be condemnation." In Louisiana, this is not the case. Instead, the great bulk of that which is included in a description of the exercise of the power to compel the transfer of property is properly described as "expropriation." Most of the otherwise undisputed aspects of the exercise of eminent domain authority are subsumed under the Louisiana term "Appropriation"....(A)ppropriation is also properly descriptive of the authorized exercise of property rights vested in the public by virtue of the jurisprudence, an exercise not intrinsically conditioned upon the payment of compensation. Dakin and Klein, pp. 2-3.

The term "expropriation" is therefore correctly understood as taking or transferring property from a private individual to the public realm. Ownership changes hands and compensation is due the individual. Appropriation is only slightly different in that there is no transfer. There is only a use, or exercise of some right or privilege, such as the use of a pre-existing servitude. There is no complete taking of the property, and it is generally held that no compensation is due.

There can be little question but that the riparian servitude for levee purposes in an exercise of the general governmental power to take or to use private property for public purposes. The only serious question revolves around the issue of the adequacy of compensation. It is in resolving this issue that the courts manifest what Dakin and Klein, Eminent Domain in Louisiana, refer to as the behavioral approach; that is, the courts have decided that only the mere pittance provided by Article XVI, Sec. 6 of the State Constitution will be allowed for lands burdened with the riparian servitude. In arriving at this result they have squarely held that the scheme of levee appropriation is permitted, indeed impelled, under the police power. The jurisprudence is replete with cases that pay homage to this well entrenched rule. One of the leading cases, and the one which is almost always cited by the courts when they delve into this topic is Pearl v. Meeker 45 La. Ann. 421, 12 So. 490. The Court, at page 490, gave the classic expression of the rule:

\*\*\* That under article 665 of our Civil Code riparian property on navigable rivers in this state is subject to a servitude or easement imposed by law for the public or common utility authorizing the appropriation by the government, under proper laws, of the space required for the making and repairing of levees, roads and other public works; that the state is charged with the administration of this public servitude; that in locating and building levees she does not expropriate the property of the citizen, but lawfully appropriates it to a

-4-

use to which it is subject under the title itself; that in so doing, she acts not under the power of eminent domain but in

the exercise of the police power, that laws, constitutional or statutory concerning the expropriation of private property for public use and requiring adequate compensation therefor, have no application to property legitimately required for levee purposes, and the private injury resulting from the legitimate exercise of this legal right is *damnum absque injuria*, to which the individual must submit as a sacrifice to the public safety and welfare.

See also: Wolfe v. Hurley 46 F.2d 515 (W.D. La.1931), *aff'd per curiam*, 283 U.S. 801, 51 S.Ct. 493, 75 L.Ed. 1423 (1931); General Box Co. v. United States 351 U.S. 159, 76 S.Ct. 728, 100 L.Ed.1055; Danziger v. United States, 93 F.Supp. 70 (E.D. La. 1950); City of New Orleans v. Board of Levee Com'rs. of Orleans Levee District 164 La. 1020, 115 So. 131 (1927); Verdun v. Scallon Bros. Contractors, Inc., 255 So. 2d 808 (La. App. 1st. Cir. 1971), writs granted 260 La. 400, 256 So. 2d 288; Dakin and Klein, pp. 14-15. This list is merely illustrative and is by no means exclusive or exhaustive.

## III. SCOPE OF THE SERVITUDE

It would seem that since the government is vested with a right to take private property for public purposes and pay only a mere token for it, there would have to be some limits placed on the exercise of the power. Originally, however, the limitations were almost inconsequential.

In an early case the court gave a wide scope to the exercise of the servitude, saying: 'This servitude is limited only by the reasonableness of its use and the administrative officers of the State of Louisiana are charged with determining that limit subject to review by the courts only when oppression or injustice is shown or proved.' Brawn v. Nelson Bros. Contractors, 180 La. 759, 157 So. 585, 587 (1934). The facts of the case were rather extreme, however. The existing levee was below grade, weak and there was a possibility of flooding at high water season. The landowner was attempting to enjoin the levee board's contractor from taking dirt from the batture on his land and from using that dirt to rehabilitate the levee. Thus, there was no clearly unreasonable use, nor oppression or injustice.

In Board of Com'rs. of Tensas Basin Levee District v. Franklin, 219 La. 859, 54 So. 2d 125 (1951), appeal dismissed 342 U.S. 844, 72 S.Ct. 80, 96 L.Ed. 638 (1951), the levee board was attempting to appropriate Franklin's property in conjunction with a large scale flood control and drainage program while paying him only the assessed value. The land in question, however, was seventeen miles from a navigable river. The landowner therefore claimed that appropriation

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was improper, that his property would have to be expropriated; and that compensation would consequently be substantially higher than the assessed value. However, the Court gave article 665 and Article XVI, Sec. 6 a very broad application, saying:

A construction of this codal article (665) so as to apply only to the shores of navigable streams would be too narrow and defeat the purpose sought to be obtained. It would be useless to build a levee if it could not be protected. Moreover if there were any doubt as to the authority of plaintiff to appropriate this land under the codal articles and statutes, the plaintiff had ample authority under section 6 of article XVI of the Constitution of this State which authorizes appropriation of property used or destroyed for levee drainage purposes. What is necessary for levee drainage purposes is a question of fact and Levee Boards have the responsibility of providing sufficient levees and levee drainage to relieve the state from the hazards of floodwaters. 54 So.2d at 128.

There was an application for rehearing, which was denied, but it was denied over the vigorous dissent of Justice Hawthorne who was apparently much troubled by the compensation issue. In a short, almost terse, but succinct opinion, he said:

Article XVI, section 6 of the Louisiana Constitution fixes the price for property actually used or destroyed for levees or levee drainage purposes at assessed valuation, but as pointed out in Wolfe v. Hurley . . . the price so fixed is nothing but a gratuity because the state had the right to appropriate property adjacent to navigable streams without any compensation under article (65). The assessed value is certainly not just and adequate compensation.

The right of the levee board to expropriate the property to be used for the drainage canal is not questioned. The serious

question here presented is whether the property because of its nature and location was acquired subject to the servitude imposed by article 665. If so the levee board may appropriate it without violating the provisions of the U.S. Constitution. 54 So.2d at 129-130. (Emphasis added.)

Apparently the court realized that in vesting levee boards with such a wide discretion and power it had approached the fringe of constitutional permissibility because when it was next confronted with the issue, it reached a different conclusion.

In Delaune v. Board of Com'rs, 230 La. 117, 87 So.2d 749 (1956) landowners brought an action for the value of certain lands taken by the Board for the construction of a levee upon Lake Pontchartrain. The purpose of the levee was to prevent the overflow from the Bonnet Carre spillway from flooding the Lake. The Board filed an exception of no cause of action based on Article XVI, section 6 and R.C.C. article 665. The trial court sustained the exception, but the Supreme Court held the exception should have been overruled because the question of whether the land was subject to the servitude is a question of fact which

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has to be resolved in a trial on the merits.

Section 6 of Article XVI, as we have theretofore found, provides for the payment to the owner of a gratuity equal to the assessed value of his property taken for levee purposes; it does not and could not, for obvious constitutional reasons, burden land already separated from the public domain with a servitude. The most that can be said with reference to the provision is that it may be liberally interpreted so as to sanction the taking of property for levee purposes without resort to court proceedings when the necessity for immediate action is in the public interest and that a landowner may not enjoin or prevent the taking even though proof of the right of appropriation may not be as conclusive as that required in a suit, such as this, for the recovery of compensation or resultant damages. Id. at 87 So.2d 752-753.

Evidently the Court was still not entirely persuaded that it had made the proper decision because just three years later it heard and decided another case which presented almost the identical issue.

The levee board sought to appropriate certain property along the Seventeenth Street Canal in Jefferson Parish in order to build a levee thereon. The canal, however, was not a navigable river or stream, but only a man-made drainage ditch. The land here was not subject to appropriation because, in the words of the court, it

is not adjacent to, and does not border on, any navigable river or stream, but is situated along a canal.

Where lands are not shown to be riparian lands they are not subject to such a public servitude; . . . this servitude comes into existence at the time the property bordering or the navigable streams is separated from the public domain.

In order to ascertain whether the particular piece of property appropriated for levee purposes is subject to the servitude imposed by article 665, " . . . it is essential to trace the title to the original grant when the land itself does not actually front on the stream." If that grant shows the tract was riparian property when separated from the public domain, then the next question to be determined, conformably with Wolfe v. Hurley and the Franklin Case, is whether the property taken "is within the range of the reasonable necessities of the situation, as produced by the forces of nature unaided by artificial causes." Board of Com'rs. for Pontchartrain Levee District v. Baron 236 La. 806, 109 So. 2d 441, 443-444. (Emphasis in original).

From these latter cases it appears that the Franklin Case, supra has been tacitly overruled. By limiting the lands subject to appropriation to those 1) which are riparian in origin; and, 2) which are within the reasonable necessities of the situation, as produced by the force of nature, unaided by artificial causes, it is submitted that the riparian servitude is in a very favorable position to withstand a constitutional attack based on a denial of due process for overbreadth. Now that the sweeping ruling of Franklin has been discarded, the scope of the riparian servitude seems to be much more comfortable with the traditional concept of police power i.e., a particular regulation

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designed to meet a particular exigency.

It appears that the courts have not been too reluctant in recent times to find that certain lands were free of the servitude. Board of Com'rs. for the Atchafalaya Basin Levee District v. St. Landry Parish School Board 130 So.2d

692 (La. App. 3d Cir. 1961) held neither article XVI Section 6, nor R.C.C. article 665 was intended to allow the confiscation of property without adequate compensation for purposes not limited by the reasonable need to confine waters produced by the force of nature in the rivers and streams adjacent to lands affected by the servitude. Id. at 695. Jeanerette Lumber and Shingle Co. v. Board of Com'rs. 249 La. 508, 187 So.2d 715 (1966) held the land in question did not owe the servitude and hence could not be appropriated, but it was subject to expropriation upon payment of adequate compensation; thus, the defendant Board would not be permanently enjoined from entering upon or disturbing the land in question. Thomas v. Board of Com'rs. for Pontchartrain Levee District 208 So. 2d 163 (La. App. 4th Cir. 1968) held before the riparian servitude may be extended to water front property not bordering a navigable waterway there must be a showing that the land was riparian in origin and secondly, that it is within the reasonable necessities of the situation, etc.

Closely related to the whole question of the scope of the exercise or use of the servitude is the problem of the imminence of the danger threatening the public health or safety. This is analogous to the situation relating to the destruction of a building in the path of a raging fire in order to prevent the spread of the fire. The only difference between that situation and the exercise of the riparian servitude appears to be the difference between expropriation and appropriation.

The jurisprudence appears not to have confronted the problem of levee appropriation in terms of the imminence of the threatened harm. The problem has been dealt with, as discussed above, as one of reasonableness. One case has been discovered which at least discussed the problem of imminence, although it seems the statements thereon are probably dicta. Also, it should be emphasized that the case was decided prior to Delaune and Baron, supra.

The levee board sought to compel certain persons who were occupying certain dwellings on the batters of the river to vacate them in order that repairs could be made to the levee. It was possible to do the work without destroying the buildings, but to do so would add to cost (and there was only an \$85,000 federal appropriation available which would have to be returned if the work was not

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completed on schedule); and increase the time required for doing the work (which could only be done safely and effectively at low water stage of the river). The occupants were ordered to vacate the premises and to allow their destruction, since they did not have any vestige of title or legal right to be there, and because even the riparian owner would be required to suffer the consequences of levee repair and construction. See Board of Levee Com'rs. v. Kelly 225 La. 411, 73 So.2d 299 (1954).

In speaking of the reasonableness of the demands of the Board, the court said:

Such considerations as these (increased cost and time of doing the job) no doubt influenced the trial judge in resolving the factual situation presented to him in favor of the plaintiff. No manifest error appears in his finding. A Levee Board, in the discharge of its duty and responsibility in protecting the public against the danger of floods need not wait until the danger is imminent. Its duty is rather to maintain the levees at all times in such condition of repair as to avoid all possibility of danger. If in the performance of that duty a riparian owner must submit his legal rights and his convenience to the public demands of necessity, certainly, as aptly concluded by the learned district judge, "the convenience of a group of batters dwellers on the banks of the Mississippi River, who have no semblance of legal right to temporary or permanent residence there" must a fortiori yield to the reasonable demands of public necessity and economy such as appears in this case. Id., 73 So.2d 302 (Emphasis added).

The rationale of the subsequent Delaune and Baron cases would not change the reasoning of the court in Kelly in these regards: First, because the lands bordering the banks of the Mississippi River are unquestionably riparian in origin. Secondly, because "the reasonable necessities of the situation" test would be eviscerated and made meaningless if it were interpreted to mean that levee authorities would have to wait until a river was rampaging at flood stage around a sub-standard levee before they could act to protect the public interest by repairing the levee under the riparian servitude.

#### IV. COMPENSATION.

As alluded to earlier, there is a definite distinction between the amount of compensation paid for land taken under the power of expropriation and land which is appropriated under the exercise of the riparian servitude. This disparity in treatment will be briefly discussed here. But it must be emphasized that, despite the brevity of treatment, the author realizes that it is the compensation issue which is the crux of the entire problem. However, a thorough review of the jurisprudence convinces the writer that the law on this topic is so well settled that a detailed discussion of authority would serve no useful purpose. For that reason, only the leading cases, or cases which clearly state the relevant principles, are here considered.

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Although the major topic under discussion is the riparian servitude, the author feels that a better comprehension of compensation for land or other property taken under the riparian servitude can be gained by contrasting payments paid thereunder with compensation paid for land expropriated under the general power of eminent domain.

When land is taken for public purposes under the power of expropriation, "just compensation" must be paid under the Fifth Amendment to the United States Constitution. The U. S. Supreme Court has had no difficulty in defining "just compensation":

The Fifth Amendment of the Constitution provides that private property shall not be taken for public use without just compensation. Such compensation means the full and perfect equivalent of the property taken. The owner is to be put in as good position pecuniarily as he would have occupied if his property had not been taken. United States v. Miller 317 U.S. 369, 63 S.Ct. 276, 279-280, 87 L.Ed. 336 (1943).

Although the Louisiana Constitution requires "just and adequate compensation" to be paid upon expropriation, it is submitted that the distinction between this provision and that in the Federal Constitution is only a semantical one. Thus, in State, through Department of Highways v. Barrow 238 La. 887, 116 So. 2d 703 (1960) the State's highest tribunal repeated the rule as to what constitutes just and adequate compensation in Louisiana:

In Housing Authority of Shreveport v. Green . . . we said: "The general rule is that the measure of compensation to be awarded the owner in expropriation proceedings is the price which would be agreed upon at a voluntary sale between an owner willing to sell and a purchaser willing to buy--in other words the market value of the property." (Numerous citations omitted). Id., at 116 So. 2d at 707.

For a more recent recital of this rule, see Orleans Parish School Board v. Bond 200 So. 2d 415 (La. App. 4th Cir. 1967).

It is quite evident therefore, that in all cases involving expropriation of land for public purposes the market value of the land must be paid, since it is this writer's contention that the "full and perfect equivalent" test of Miller, supra, is met when the property's market value is paid.

In an early case the State Highway Commission argued that only the assessed value of the property taken for highway purposes need be paid. The court made short shrift of that argument, saying,

When private property is expropriated for public purposes, adequate compensation must be paid, and the amount of compensation is the market value of the property when taken. The assessed value may be considered as a factor in determining the true value, but it is not controlling. This is true because it is a matter of common knowledge that real property is not assessed in this State at its market value. The real or market value and not the assessed value controls. Louisiana Highway Commission v. Guidry 176 La.389, 146 So. 1, 5-B (1933).

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From the foregoing discussion it can be readily seen that market value must be paid for land taken for public use. Why then, is there such a discrepancy in the price paid for land used under the riparian servitude? After all, the courts of this state have expressly recognized that the assessed value

is in actuality not the fair market value. Judry, supra and Hawthorne, J. dissenting in Franklin, supra. The answer, if not obvious, is logical. Simply state, when the State exercises its rights under the riparian servitude, it is not taking anything. As discussed above already owns the servitude. It succeeded to the rights of the French and Spanish crowns and they had never fully divested themselves of title to riparian land. See Dickson, discussed supra.

The leading case on the compensation issue is Royce Cottonseed Oil Mfg. Co. v. Board of Com'rs. 160 La. 727, 107 So. 506 (1926). Since it is always cited when the courts deal with the compensation issue vis a vis the riparian servitude, it is herein extensively quoted:

In 1892 and in 1894 . . . the General Assembly authorized the Orleans Levee Board to compensate certain property holders whose property had been appropriated, taken, or damaged for levee purposes; but with this proviso, that in no case should the amount paid to such owners exceed the assessed value of the property at the time . . .

Evidently therefore the General Assembly thought that in such cases the assessment would constitute the fair measure of the value between the state and the property holder.

And moreover, since the Constitution directed that the property holder should receive "the value" of his property, and presumably the General Assembly meant to obey the Constitution, it follows that the limit fixed was not a mere arbitrary refusal to allow the value of the property, but a legislative declaration that the measure of such value should be the assessment.

And whether or not such acts were or were not wholly constitutional even under that aspect is neither here nor there at present, since the Constitution itself in the very grant of compensation has fixed the assessed value as the limit thereof. But manifestly, the Constitutional Convention had in mind the very same idea as had the General Assembly, to wit, that the assessment should be the test of value between the state and the property holder.

For presumably the Constitution meant to deal fairly not only as between the state and the property holder, but also between all property holders. And such would not be the case unless the proviso that compensation should not exceed the assessed valuation were intended as a measure of values, and not a mere limit of compensation. Id., at 107 So. 507-508. (Emphasis in original.)

The court was equally divided so a rehearing was granted. Under the then existing procedure, a Justice ad hoc was appointed to cast the tie breaking vote. On rehearing the original opinion was reinstated, with these comments:

Under article 312 of the Constitution of 1898, a right of action was given a riparian owner for the value of property

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which might be taken for levee purposes. By Act 79 of 1898 the board of the Orleans Levee District was authorized to levy a tax for the purpose of indemnifying the owners whose property might be damaged or destroyed in construction of levees. The word to "indemnify" used in this statute means . . . to compensate for injury sustained. It was further provided for in that act that the compensation in no case should exceed the assessed value of the property. . . . It is extremely doubtful that the Legislature had the constitutional authority to thus base the right of recovery on the assessed value not to exceed the limit fixed in the act, but, however, this may be, its enactment shows that the policy of the state, at that time, as expressed through its legislative department, was to allow to the riparian owner the assessed value of his property in "indemnification" or "compensation" for his loss. In dealing with this subject, the framers of the Constitution of 1898 did not use the language found in Act 79 of 1898 . . .

Instead of employing the words "indemnification" or "compensation" . . . the word "Price" was used in Article XVI Section 6 as meaning the "value" or "equivalent" for riparian property which might be used or destroyed for the construction of levees.

I believe the word "price" was used in the sense above stated because the state had a right of servitude over property of that character which it could have exercised, including the destruction of the improvements, without making any compensation therefor. (Citations omitted.) The amount to be thus awarded to the owners of land adjacent to navigable rivers by the framers of the Constitution was purely gratuitous.

\* \* \* (Article XVI, Section 6) was merely a constitutional provision conceived in a spirit of liberality towards the owner, but which amount was to be measured by the assessed valuation of the property taken, and with the restriction that it would in no case exceed the maximum limit of the assessment. The value was therefore fixed within this constitutional limitation as an "estimation," "award," or "compensation" to the owner. Id., at 510. See also: Richardson and Bess v. Board of Levee Com'rs. 266 La. 761, 77 So.2d 32, 36; Delaune, supra; Hawthorn v. Board of Com'rs. 218 So.2d 335 (La. App. 3d Cir. 1969); Verdun v. Scallon Bros. Contractors, Inc. 255 So. 2d 808 (La. App. 1st Cir. 1971), writs granted 260 La. 400, 256 So. 2d 288.

There is one other element of the compensation issue that warrants attention here. If, in building a levee, property is thrown outside of the levee (that is,

placed between the levee and the water's edge), and is thereby unprotected by the levee, must compensation be paid therefor?

Article XVI, Section 6 speaks in terms of land "actually used or destroyed" for levee purposes and the courts have given this phrase a rather narrow construction, viz:

The Constitutional Convention of 1921 was evidently prompted, in adopting the provision, to lessen, so far as the means of public authorities would permit, the burden of the servitude resting on lands bordering on navigable streams and growing out of the necessities of the situation. Care should be taken, therefore, not to carry the spirit of the provision beyond its clear intent and thereby render, perhaps, the State unable to discharge its duty of protecting a large part of the public from inundation. Meyer v. Board of Com'rs. for Caddo Levee District 177 La. 1119, 150 So. 295, 296.

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The purpose of the Convention, we think, in employing the words "actually used or destroyed" was to make it clear that land, in constructing a levee properly and with due regard for all concerned, which is thrown outside of the levee, is not required to be paid for, but only such as has been actually used in the construction of the levee or has been actually destroyed for all reasonable purposes, by its construction. Id., at 297.

Thus not only may land be appropriated for levee construction under the riparian servitude with only modest compensation, but that compensation is only paid for that part of the landowner's property on which the levee actually physically rests.

#### CONSTITUTIONAL ANALYSIS

"No State shall make or enforce any law which shall abridge the privileges and immunities of citizens of the United States; nor shall any State deprive any person of life, liberty or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws. Amendment XIV, United States Constitution.

It is within the context of the foregoing discussions that the constitutionality of the compensation that is paid when the riparian servitude is exercised, must be considered. It is the writer's considered opinion that the riparian servitude as it exists in Louisiana passes Federal Constitutional muster.

At this juncture, it must be pointed out that the "just compensation" provision of the Fifth Amendment has been incorporated into the "Due Process" clause of the Fourteenth Amendment. Chicago B & Q R.R. v. Chicago 166 U.S. 226, 17 S.Ct. 581, 41 L.Ed. 979 (1897). (This is necessary because some of the later cases, most notably Wolfe v. Hurley 46 F.2d 515, 520 state, erroneously, that the Fifth Amendment does not apply to the States.)

In Chicago B & Q R.R., supra, the city was extending a street over tracks and property owned by the railroad but the railroad was still going to have the right to use the tracks after the street was extended. The railroad sued the city seeking just compensation for the "taking" of its property. A jury awarded one dollar as compensation. The Company appealed, claiming that just compensation was due under the Fifth and Fourteenth Amendments and that one dollar was not "just" compensation. The Supreme Court of Illinois affirmed. The United States Supreme Court was very sympathetic and consoling, saying at 17 S.Ct. 584 that "Due Process" means more than procedural due process. Due process is more than the fact that the petitioner has notice of the hearing, that he made an appearance and was allowed to defend. Continuing, the court said:

But a State may not, by any of its agencies, disregard the provisions of the Fourteenth Amendment. Its judicial authorities may keep within the letter of the statute prescribing forms of procedure in the courts and give the

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parties interested the fullest opportunity to be heard, and yet it might be that its final action would be inconsistent with that amendment. In determining what is due process of law regard must be had to substance and not to form. Id., at 584.

The legislature may prescribe a form of procedure to be observed in the taking of private property for public use, but it is not due process of law if provision be not made for compensation. . . . Due process of law as applied to judicial proceedings instituted for the taking of private property for public use means, therefore, such process as recognizes the right of the owner to be compensated if his property be wrested from him and transferred to the public. Id.

In our opinion, a judgment of a state court, even if it be authorized by statute, whereby private property is taken for the State or under its direction for public use without just compensation made or secured to the owner, is, upon principle and authority, wanting in the due process of law required by the Fourteenth Amendment of the Constitution of the United States. . . . Id., 586

The owner of private property taken under the right of eminent domain obtains just compensation if he is awarded such sum as, under all the circumstances, is a fair and full equivalent of the thing taken from him by the public. Id.

The (Railroad Co.) took its charter subject to the power of the State to provide for the safety of the public, insofar as the safety of the lives and persons of the people were in the operation of the railroad. The company laid its tracks subject to the condition necessarily implied, that their use could be so regulated by competent authority as to insure the public safety. And as all property, whether owned by private persons or by corporations, is held subject to the authority of the state to regulate its use in such manner as not to unnecessarily endanger the lives and personal safety of the people, it is not a condition of the exercise of that authority that the state shall indemnify the owners of property for the damage or injury resulting from its exercise. Property thus damaged or injured is not, within the meaning of the Constitution, taken for public use, nor is the owner deprived of it without due process of law. The requirement that compensation be made for private property taken for public use imposes no restriction upon the inherent power of the state by reasonable regulations to protect the lives and secure the safety of the people. Id., 590.

However, the court went on to affirm the judgment of the State courts on the basis that it could not review facts found by a jury due to the prohibition contained in the Seventh Amendment. Thus, the value of the land taken was found to be one dollar.

The U. S. Supreme Court has had Louisiana's riparian servitude before it on several occasions. However, there appear to be only two instances where it was considered in any detail. Those cases are Eldridge v. Trezevant 160 U.S. 452, 16 S.Ct. 345, 40 L.Ed. 490 (1895); and General Box Co. v. United States 351 U.S. 159, 76 S.Ct. 728, 100 L.Ed. 1055 (1956). In neither case was the Court squarely confronted with the constitutionality of the servitude, but the effect of the decisions seems to be a validation of it.

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In Eldridge, the facts were no different from those in any of the multitude of appropriation suits either before or after the decision. The landowner simply wanted more compensation than that provided under Louisiana law. The only unique arguments appear to be that since he was not a citizen of Louisiana, his land located here could not be used for the meager compensation provided; and, that since he derived his title from A. U.S. patent, the land came to him free of the servitude.

The Court thoroughly examined the Louisiana jurisprudence and recognized the existence of the servitude. In fact, it appears that the court was quite engrossed and favorably impressed with the servitude. It cited numerous cases which showed the French and Spanish origins of the servitude and the fact that its existence antedated the acquisition of Louisiana by the United States and that the previous sovereigns had not divested themselves of title to the servitude. In fact the court expressed some consternation at the decision of the State Supreme Court in Bass v. State of Louisiana 34 La. Ann. 494 which had justified the inadequate compensation on the police power. One cannot help but note the court's relief, when it said at 16 S.Ct. 345:

But we do not understand that the Supreme Court of the State intended thereby to repudiate the doctrine of a servitude, explicitly declared in the code, and recognized, through a long period, by many decisions. If, to approve the judgment in that case, it were necessary to hold that the State and its agents can take private property, wherever situated, and apply it to any public purpose, and escape from the duty of compensation by terms such action an exercise of the police power, it is difficult to see how such a conclusion could be reached by the courts of a State in whose constitution is to be found a provision that private property shall not be taken for public use without just and adequate compensation first made. But, as we have said, it is not necessary to so read the decision in question, nor to consider whether, over in such a case, a remedy could be found in any provision of Federal Constitution.

Thus, as long as the appropriation is under the time-honored servitude, the Court appears well satisfied with the compensation provided.

As to Eldridge's second contention, the Court referred to its earlier decisions under which it had held that each state is free to establish its own rules of property relative to riparian property as long as the rules are impartially administered.

The significance of the decision is that it demonstrates the Court's willingness to approve the servitude since it burdened the land upon severance from the sovereign. Also, the court gave the states wide discretion to establish regulations for riparian property as long as they are uniform and fairly administered.

The case most often cited as sustaining the constitutionality of the riparian servitude is Wolfe v. Hurley 46 F.2d 515 (D.C. W.D. La. 1931). The case was taken to the U.S. Supreme Court, but the decision was affirmed without opinion. 283 U.S. 801, 51 S.Ct. 493, 75 L.Ed. 1423.

Ordinarily, one would not place great emphasis on a lower court opinion such as

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that in Wolfe. But there are circumstances in this particular case which justify in-depth consideration. The circumstances are primarily that Judge Ben Dawkins authored Wolfe. As pointed out by Justice Douglas, in his dissent in General Box Co. v. United States 351 U.S. 159, 76 S.Ct. 728, 100 L.Ed. 1055 (1956), not only was Judge Dawkins a Louisiana practitioner, he was a former state district judge and a former associate justice of the State Supreme Court; he was also a member of the Constitutional Convention of 1921; and, most importantly, he AUTHORED article XVI, Section 6.

In Wolfe, the plaintiffs owned certain land which the levee board had undertaken to grant and convey to the United States for the purpose of building a new levee. The plaintiffs claim that they are entitled to "just compensation" under the Fifth and Fourteenth Amendments to the U. S. Constitution. In disposing of this claim, Judge Dawkins said:

From ancient times, and until quite recently in Louisiana, the civil law has required the owner of land bordering upon a navigable stream to give, without compensation, so much thereof as might be needed for the construction of levees and highways. (Citations omitted.) This rule, of course, antedated both the federal and state Constitutions, and was recognized as co-existent with those principles which were subsequently embraced in the written provisions of the Fifth Amendment to the Federal Constitution and the Bill of Rights, or what is now section 2 of article 1 of the state constitution of 1921; hence the latter were adopted subject thereto. Id., at 520.

After tracing the history of the compensation provision that was eventually embraced in article XVI, Section 6, the Judge continued:

Of course, if the state and its agencies, the levee boards, were not required, under the federal or state constitutions, to pay for property so taken before changes in the law above stated, then any provision added for that purpose was in the nature of a concession which the framers of the constitution were at liberty to qualify or limit, as they deemed proper. For this reason, insofar as the taking of any lands which could have been demanded before the change is concerned, we see nothing in the Fourteenth Amendment that affects the provision of section 6 of article XVI of the Constitution of 1921. In other words, being in legal contemplation a gratuity, its extent was subject to the will of the lawmakers fixing the assessed value as the maximum price to be paid for lands used for levee purposes. Id., 521.

Having thus established the constitutionality of the riparian servitude, he passed to a consideration of its scope. The result was enunciation of the "range of the reasonable necessities" rule. The court concluded that no compensation was due for that land thrown outside of the new levee unless such land was destroyed for all practical purposes.

At first blush, the opinion does not appear to state anything radically different from what the state courts had been saying all along. However, this appears to be the first (and only) square holding that the Fifth and Fourteenth Amendments of the Federal Constitutions do not apply to the exercise of the riparian servitude. Thus, the state courts' interpretation and application of the servitude had passed the

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muster of a direct, frontal constitutional challenge.

It would seem probable that an opinion with such sweeping and far-reaching potential as this one, would receive serious scrutiny in the U.S. Supreme Court. Unfortunately, that was not the case, viz:

Wolfe v. Hurley, Society of War, et al. Per Curiam: Decree Affirmed. Dohany v. Rogers 281 U.S. 362, 366; Bragg v. Weaver 251 U.S. 57, 62; Swaet v. Reche 159 U.S. 380, 402; Backus v. Fort Street Union Depot Co. 169 U.S. 557, 568. Id. 283 U.S. 801, 51 S.Ct. 493, 75 L.Ed. 1423.

The above is the entire opinion. Moreover, the cases relied on only serve to confound the matter. In each case there was a claim of inadequate compensation in contravention of the mandate of the Fifth and Fourteenth Amendments. In each case the Court declined to ascertain whether the compensation was just. In Dohany the Court rested its decision on the basis of authoritative state court constructions of the statutes attacked which found them to provide adequate compensation. (At 366). In Bragg, at the cited page, the Court found that "where adequate provision is made for the certain payment of the compensation," then there is no violation of the Fourteenth Amendment. In Swaet, it was held that where adequate provision is made in the statute for the prompt and "regular" ascertainment of damages, and when the statute confers on the owner "an unqualified right to a judgment for the amount of such damages," then there is no violation of Federal Due Process. Backus is to the same effect, and in fact, is cited in Swaet for the proposition above stated.

When one considers the compensation provision of the riparian servitude in light of these pronouncements, there is little doubt that it is constitutional. After all, as authoritatively construed by the state courts, adequate compensation is paid. See Boyce Cottonseed, supra. Perhaps this discussion has degenerated into a silly word game, but certainly adequate provision is made for the certain payment of compensation under article XVI, section 6. The article does provide for the certain payment of compensation. A provision for the sufficiency of the compensation does not seem to have troubled the court much in Bragg. The test of Swaet is met because there is a prompt and regular ascertainment of damages (assessed value, gratuity, etc.) and the landowner, under article XVI, section 6 has an unqualified right thereto.

The only other instance which the writer has been able to locate where the U.S. Supreme Court has rendered a full dress opinion relative

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to the riparian servitude is General Box Co. v. United States 351 U.S. 159, 76 S.Ct. 728, 100 L.Ed. 1055 (1956).

The facts of the case distinguish it from prior challenges to the constitutionality of the riparian servitude in two major respects. First, suit was against the United States and not the State of Louisiana or one of its functionaries. Secondly, the suit was for the value of standing timber situated along the batture of the river. (The timber was destroyed, without notice, after the levee board "donated" its rights under the riparian servitude to the United States.) It must be remembered at this point that Article XVI, Section 6 specifically excludes batture land from any compensation at all. The district court, Judge Dawkins, presiding, found for General Box since he thought that the land had not been effectively appropriated due to failure to give notice and a hearing. (For the district court's opinions see 94 F.Supp. 441, 107 F.Supp. 981, and 119 F.Supp. 749). The Fifth Circuit reversed finding that there was a valid appropriation under the riparian servitude since there are no sacramental formal requirements for the exercise of the servitude. 244 F.2d 7, 11.

The Supreme Court, speaking through Mr. Justice Reed, affirmed the Court of Appeals. The court was not sure of the Louisiana requirements for appropriating land for levee purposes, but it accepted the determination of the Court of Appeal that no notice and hearing were required. 76 S.Ct. at 732. Thereafter, the history of the riparian servitude was summarized (citing Dickson, supra) and the Court concluded, at pp 733-734:

\* \* \* This historical background makes clear that the rights of the State in property subject to the servitude are very broad. By law, and for the good of all, lands were made available to the State for levee purposes in as convenient a manner to the State as was necessary for the public

welfare, and with little regard for the severity of the obligations imposed on the individual property owner. Nothing in the development of the servitude indicates that, before the State can exercise its obviously comprehensive rights, it must provide an opportunity to remove timber from better.

Since, as we hold, petitioner's property was effectively appropriated by state authorities pursuant to the servitude, the United States cannot be liable to petitioner for the value of the property. The State, as owner of the servitude, legally could have destroyed the timber without prior notice and without any opportunity for mitigation of losses, and yet be free of liability to petitioner. The destruction, it seems to us, was consistent with the rights of the State under the servitude. Rather than undertake the levee project itself, Louisiana, through one of its agencies, donated its rights as against petitioner's timber to the United States. The United States, as donee of these rights, could exercise them to their full extent without

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incurring liability, just as its donor could have done.

The petitioner sought compensation for the destruction of the trees based upon a claim that the "destruction of said timber was a taking . . . within the meaning of the Fifth Amendment to the Federal Constitution." But this property was not taken by the United States in the exercise of its power of eminent domain. In effect, the timber was "owned" by Louisiana for levee purposes, and the United States succeeded to that "ownership" by "conveyance." Louisiana furnished its betterment as required by the law of both the United States and Louisiana for use in protecting the property in the State from floods. Petitioner did not assert in its complaints or in its question presented on petition for certiorari that the destruction violated the Due Process Clause of the Fifth Amendment.

The last sentence indicates that the Court did not consider the constitutional issue, but upon perusing the cases cited in the footnote to that sentence, one gets the impression that the court felt the constitutionality was established. There cited were Eldridge and Wolfe, supra, and the dismissal of the appeal in Franklin v. Board of Commrs. of the Tensas Basin Levee District, 342 U.S. 844, 72 S.Ct. 80, 96 L.Ed. 638 (1951). That appeal was dismissed for lack of a substantial federal question--based upon Eldridge and Wolfe.

There have been some cases before the High Court recently which have presented situations analogous to the riparian servitude. The principles are discussed here merely to show the Court's recent attitude on the subject in related areas.

Indicative of such a situation is U.S. v. Rands 389 U.S. 121, 88 S.Ct. 265, 19 L.Ed.2d 329 (1967). In that case the United States condemned certain lands along the Columbia River in Oregon for use in connection with a lock and dam project. The district court allowed compensation for the value of sand and gravel on the land and for its value in agricultural use. It denied compensation for its value as a port site, which meant that the owners received only one-fifth of the alleged value. The Court of Appeals reversed, but its decision was reversed by the Supreme Court. Under the commerce power, the United States has the right to regulate navigation and for this purpose, it has a "dominant servitude" extending to the entire stream and stream bed below the high water mark. Of this servitude, the Court said:

The proper exercise of this power is not an invasion of any private rights in the stream, or the lands underlying it. For the damage sustained does not result from the taking of property from riparian owners within the meaning of the Fifth Amendment, but from the lawful exercise of a power to which the interests of riparian owners have always been subject.

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The navigational servitude of the United States does not extend beyond the high water mark. Consequently, when fast lands are taken by the Government, just compensation must be paid. But "just as the navigational privilege permits the Government to reduce the value of riparian lands by denying the riparian owner access to the stream without compensation for his loss, . . . it also permits the Government to disregard the value arising from this same fact of riparian location in compensating the owner when fast lands are appropriated." United States v. Virginia Electric and Power Co. [Citation omitted.] U.S. v. Rands at 88 S.Ct. 267.

The author recognizes that the case is not on "all fours" with those arising under the riparian servitude. But, it is used here

to show that the U.S. Supreme Court does recognize exceptions to the just compensation rule of the Fifth Amendment.

In Rands the navigational servitude extended only to the stream itself and not to riparian property. Unlike the Louisiana riparian servitude, the adjacent land had to be expropriated in order to use it for public purposes. Nevertheless, the Court allowed expropriation at less than the market value. The "full and perfect equivalent" of the property would necessarily include its potential for use as a port site. Certainly, a willing seller and willing buyer would place some value on this potential use. Yet, because the value of the land was due to the flow of the stream it was sufficiently related to the navigational servitude to justify reduced compensation. A fortiori, since the State of Louisiana, in appropriating land, merely exercises its rights under that which it already owns and since it takes nothing, then the gratuitous payment made <sup>to</sup> the riparian proprietor may logically be set at any amount set by the state.

Another series of cases which at first appear to be analogous are represented by United States v. Causby 328 U.S. 256, 66 S.Ct. 1062, 90 L.Ed. 1206 (1946) and Griggs v. Allegheny County 369 U.S. 84, 82 S.Ct. 531, 7 L.Ed.2d 585 (1962).

In Causby, the landowners claimed that their property was "taken" by the United States by virtue of the fact that government airplanes flew over the land at low altitudes on taking off and landing at a nearby airport operated by the government. These flights were at altitudes permitted by the Civil Aeronautics Board. As a result, the landowners had to give up their chicken raising business since the noise from the aircraft so frightened the chickens that they flew into walls, thereby killing themselves. Prior to that, production fell off. The result was the destruction of the use of the property as a commercial chicken

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farm. The Court of Claims held that the U.S. had taken an easement of flight over the property. The United States argued that under the Civil Aeronautics Act of 1938 it had complete sovereignty in the air-space and that every citizen has a right to travel in air commerce. Thus, since the flights were at minimum safe altitudes, they were in exercise of the declared right of travel. The Government claims that without a physical intrusion of the property there is no taking. The Court, at 66 S.Ct. 1066, said:

\* \* \* If, by reason of the frequency and altitude of the flights, respondents could not use this land for any purpose, their loss would be complete. . . .

We agree that in those circumstances there would be a taking. Though it would only be an easement of flight which was taken, that easement, if permanent and not merely temporary, normally would be the equivalent of a fee interest. It would be a definite exercise of complete dominion and control over the surface of the land . . . . The owner's . . . beneficial ownership would be destroyed.

There was, in other words a taking by the government. For that taking the Court awarded the landowners the value of that which they lost.

The same result was reached on essentially the same facts, in Griggs. The only apparent difference in the facts was that Congress had redefined the navigational air space of the United States to include that space necessary to take off and land airplanes; and, that a local, rather than national, governmental agency was being sued.

On more substantial investigation of these cases the distinction between them and the exercise of the riparian servitude is clear and obvious: In the exercise of the riparian servitude there is no taking. The State already owns the servitude or easement. In these takings of flight easements, the governments did not own the easements over the property. They took them and thereby caused the damage.

In conclusion, therefore, the writer reiterates his conviction that the riparian servitude is not violative of the provisions of the Fifth and Fourteenth Amendments to the Constitution of the United States. Although the cases are not clear as to whether the validity is due to the fact that the sovereigns never divested themselves of title to the riparian lands; or, whether the constitutionality is founded upon a valid exercise of the state's inherent police power, but the author

submits that either ground, independently of the other, is sufficient to exclude the servitude from the purview of the Fifth and Fourteenth Amendments. Also, the above-mentioned theories, if not sufficient independently of each other, certainly complement each other so that together they create an exception to the general rule of just compensation.



**COMMITTEE ON REVENUE,  
FINANCE, AND TAXATION**



# I. Minutes

## A. Full Committee Minutes

### MINUTES

Minutes of the second meeting of the Revenue, Finance and Taxation Committee of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on March 9, 1973

Senate Chamber of the State Capitol,  
Baton Rouge, Louisiana  
Friday, March 16, 1973 10:00 a.m.

Presiding: Sen. B.B. Rayburn, Chairman of the Revenue, Finance and Taxation Committee

#### Present

John A. Alario, Jr.  
Charles A. Badeaux  
Sen. James H. Brown, Jr.  
Walter J. Champagne, Jr.  
Lawrence Chehardy  
David Conroy  
Sen. J. D. DeBlieux  
Frank M. Edwards, Jr.  
John Clyde Fontenot  
Herman Lowe  
J. A. McDaniel  
Claude Maubertret, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel B. Nunez, Jr.  
Arthur J. Planchard  
Sen. B.B. Rayburn  
Earl J. Schmitt  
Charles Slay  
Jasper K. Smith  
Risley C. Triche  
F. D. Winchester

#### Absent

Charles E. Roemer, III

The Chairman, in introducing Convention Treasurer Herman Lowe, stated that the Committee had been asked to estimate its budgetary requirements, including per diem, proposed travel allowances, etc. Treasurer Lowe suggested that the Committee authorize its

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Chairman to determine the number of Committee meetings and report same. The Chairman suggested that, prior to determining such a meeting schedule, the Committee first review the material to be considered.

A motion by Mr. Lowe for the Committee to submit its proposed budget on March 17 passed.

A motion to adopt the permanent Rules of the Convention as the Rules of the Committee was offered by Mr. Winchester. The motion carried.

The Chairman then suggested discussion of possible topics, speakers and research to be included in the Committee's deliberation. Mr. Lowe suggested inviting Emil J. Maciasz of the State Treasurer's Office to address the Committee. The Chairman then requested Mr. Norris to review the material distributed to the Committee (attached hereto).

The Committee requested a list of Constitutional provisions on Revenue, Finance, and Taxation which are obsolete. Mr. Norris stated the list was to be distributed momentarily to the Committee.

Mr. Norris reviewed "Provisions of Louisiana's Constitution of 1921 Possibly Obsolete", and explained the contents of folders distributed to the Committee members. This data included:

- 1) Tax Guide prepared by the State Department of Revenue;
- 2) Thirty-second Report of the Department of Revenue;
- 3) Budgetary and Fiscal Organizational Chart of the State; and
- 4) State of Louisiana Budget for 1972-73.

Also distributed to the Committee was a list of "Topics Which Possibly Are Issues Needing Consideration by the Committee on Revenue, Finance, and Taxation".

The Chairman then suggested that the Committee stand at ease to attend the Governor's Press Conference on Bussie vs. Long and Tax Equalization, scheduled in the Governor's Press Conference Room for 11:00 a.m.

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Following the Roll Call, there being a quorum present, the Chairman introduced to the Committee the Research Director, Norma Duncan, who presented the staff members assigned to the Committee:

Coordinator of Research Auorey LeBlanc  
Senior Research Assistant James Norris  
Junior Research Assistant Fred Tinsley  
Secretary Meredith Bunker

Discussion of previously determined meeting days was heard and the Committee's decision was to adhere to the Friday and Saturday meetings of every other week as scheduled.

The Committee returned to recess at 12 Noon for lunch.

At 1:30 p.m., the Committee resumed the meeting with the Chairman requesting Mrs. Duncan to review the pertinent 1921 Constitutional provisions.

Mrs. Duncan reminded the Committee that it was charged by Convention Rules to cover in its deliberations the areas of: Assessors and Assessments, State Finance, Management of State Funds, Exemptions, Revenue, Taxation, and State Debt.

Discussion from the Committee members ensued on the scope of subjects and responsibility of the Committee. Mrs. Duncan reported that it was her understanding that the Committee itself was to determine the areas it would study. Later, if the areas conflicted or overlapped with those of other committees, the Coordinating Committee and the Research Director would meet and so

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determine necessary guidelines.

Mrs. Duncan reviewed the Constitutional provisions which had been determined by the Research Staff to relate directly to the areas of Revenue, Finance, and Taxation. Copies of this list, from the Table of Contents, were distributed.

Mr. Chehardy, following discussion of the pertinency of certain provisions, recommended to the Committee that it would be wise to confine the scope of Committee study to Revenue and Taxation proper. When in doubt, he suggested, compare the relation of the subject to the goal.

Mrs. Duncan, in voicing her ideas of the purview of the Committee, included the problem of Property Tax and its levies both on the State and local levels, the collection and disposition of those taxes, all other taxes insofar as Constitutional inclusion exists, exemptions, bonds and bonded indebtedness of the State and local governments, management of State finance, management of local government finance and its limitations on debt, investment of idle funds, appropriations and dedications.

Mrs. Duncan urged the Committee to explore the possibility of new methods of taxation and finance.

Mr. Slay suggested that the group divide into subcommittees based on members' preference and expertise and report their findings to the whole committee at its next meeting.

The Chairman reviewed the agenda which listed the first consideration to be Review of Topics To Be Considered.

He stated that following that the Committee would divide

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into subcommittees. He suggested it premature to proceed with subcommittee assignments until it was decided what topics the Committee would study.

Mr. Winchester voiced his view that a subcommittee, with its specialized knowledge, could better recommend whether or not the Committee should consider topics. He further stated that his personal confusion in some areas prompted this sentiment.

The Chairman expressed understanding of the dilemma, but said the decisions made during the day need not be irrevocable. He stated that there was indeed a broad field of interest and background represented in the group, but that his idea was to obtain a broad view of the subjects, and to establish some guidelines as to what to consider. Once these determinations were made, it was his idea then to divide the topics for subcommittee study and deliberation.

Mr. Lowe suggested that the Committee proceed with the material as read and that the provisions be retained for consideration unless unanimously deleted. He further suggested that if even one objection to a proposed omission was heard, that the item be retained. This suggestion won unanimous concurrence.

Mrs. Duncan completed review of the pertinent provisions of the existing Constitution, with the understanding that a revised list of those provisions with additions and authorized omissions would be supplied on the following meeting day.

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The Chairman then recommended that the Committee survey the discussed material overnight and return in the morning session to divide itself into subcommittees and assign articles thusly.

Senator Nunez suggested that perhaps the whole Committee should hear some witnesses on the various topics before breaking up into subcommittees.

Mr. Smith pointed out the necessity of prudence in determining what was to be included in the Constitution and voiced opinion that a lengthy document would not be approved.

Mr. Plancharde requested that an expert in State Finance be called to instruct the Committee on its overall operation, pointing out that the assessors had a specialized viewpoint, and various sections were represented. He also requested an authority on bonding be heard, and reiterated his opinion that the group needed a broad viewpoint in order to better understand the subjects under consideration. In answer to the Chairman's question, Mr. Plancharde said that he felt that speakers should be heard before the Committee began its subcommittee study.

In response to the Chairman's request for suggestions, Mr. Slay chose for immediate subcommittee assignments, reasoning that the more quickly a delegate was assigned to a subcommittee and its specific work, the quicker the whole Committee would have recommendations.

In reference to the March 15, 1973, decision of the 19th Judicial District Court in the case of Bussie vs. Long on

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tax equalization (decision attached hereto), Mr. Chehardy rose to speak. In his remarks he stressed the serious nature of tax equalization and his view of the ramifications of the aforementioned decision. He further urged the Committee to "go into the whole problem of tax equalization right now, because every citizen in this state is eyeing this decision with deep fear and misery. Don't think it's a joke, because when it hits, it's not going to hit in just one area, one parish."

Mr. Chehardy stated that he felt there was time and opportunity to remedy the situation and that the Committee was in a position to stem the impact of equalization. He reiterated the "deadly" seriousness of the matter citing examples of the problem in other states such as New Jersey and Florida.

Passage of the proposed Constitution, Mr. Chehardy continued, might well rest on the solution the Convention provides to the property tax issue. Voicing the thought that the tax equalization problem could be solved in the proposed Constitution, Mr. Chehardy said he would like to see the Committee as a whole discuss tax equalization first, with a view to solving the problem.

Mr. Chehardy moved "that the Committee as a whole study the problem of property tax equalization first off with a view of determining what steps are necessary to combat this evil scheme".

Mr. Triche offered an amendment to the motion to read all phases of ad valorem taxes

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Mr. Winchester voiced opposition to the motion, stating that it was "not the proper time nor the proper place for the problem to be taken up", and that discussion be delayed.

The Chairman called for a second, which was supplied by Mr. Planchard.

Senator DeBlieux suggested that the Committee divide itself into subcommittees for intensive study of the various categories encompassed in the Committee responsibilities, that a subcommittee on ad valorem taxes "could probably do as good a job as the Committee's twenty-three members".

Mr. Lowe offered a substitute motion that once subcommittee assignments were made, the Committee in future meetings proceed to sit as a Committee of the whole the morning of the first day to hear those invited to speak; that the remainder of the day and the morning of the second day be used in subcommittee; and that the afternoon of the second day, the Committee of the whole hear subcommittee reports.

Senator Brown voiced feelings that the Committee's deliberations were floundering and asked what information the Committee was to consider. He further stated that the original Convention bill specified that this period was to be "an intensive information-gathering period" and that the research staff would

study in depth every possible solution or every possible side of a particular issue and give to the committee complete information gathered.

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Senator Brown pointed out that he felt the research staff assigned to the Committee was inadequate for its needs. He also said that the time limitation and the pending legislative fiscal session would greatly inhibit the Committee's work.

Gathering information was the prime responsibility of the Committee, Senator Brown said, not recommending action. The Committee must do its research. He said that he wanted "to know what every single state is doing in the area of property tax" equalization and what alternatives all of the research organizations throughout the country have recommended. He said he wanted these listed in a guide "one through fifty."

Senator Brown reiterated his call for suggestions as to how the Committee could best gather information.

The Chairman then advised the group that the complete research staff would be available to "this Committee and all other Committees" to do as much research as it possibly could.

Mr. Champagne called for "a frank, limited discussion" of individuals' research to be presented to the Committee. He reported that he had requested data from the research staff including information on what other states are "doing about taxes on movables". The speaker declared that "new light has shown upon this Committee by the ruling of the judge." He outlined some of the related examples of topics to be considered, including homestead exemptions, and asked for a sharing of ideas and views.

Mr. Chehardy addressed himself to clarifying some of his earlier remarks (which have been transcribed verbatim and are

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attached herewith, along with copies of references). In closing, the speaker reiterated his plea for open and full discussion of tax equalization.

Mr. Winchester asked the Committee to determine the obligations of the Committee and how the members were to fulfill those obligations.

Dr. Mauberret declared that he certainly observed that the ad valorem tax issue was the biggest problem in Louisiana at this time, and should be the number one issue to be taken up, and agreed with Mr. Chehardy that the subject should be considered by the Committee as a whole.

The Chairman called for the question on the substitute motion.

Senator Nunez stated that he thought the Committee must decide between the prime function of the Committee and the

immediate function. In his comments, he stressed Property Tax Equalization as the first priority for Committee consideration.

After stating his doubts as to the advisability of considering Tax Equalization, Mr. Fontenot suggested that the Committee proceed with subcommittee work and then, if time permitted, consider that soecial problem.

Mr Newton agreed that the ad valorem problem was the biggest problem facing the Committee, but that it should be considered in relation to the other problems. He then urged adoption of substitute motion.

Mr. Smith then voiced his support to considering the tax equalization problem as a Committee as a whole.

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Mr. Lowe urged that the Committee determine a framework "to get on with Committee work".

The vote was called for on the substitute motion which failed to pass on a nine to eleven count.

Discussion followed with the resulting substitute motion by Senator DeBlieux to establish subcommittees with assignment of duties and subject matter for each, and set a date for a meeting of the Committee as a whole to be well-publicized for hearing and debate. The motion was ruled out of order.

After more discussion, the Chairman called for the question on Mr. Triche's amendment which passed without objection.

Senator DeBlieux moved to reconsider the preceeding substitute motion. The motion to reconsider failed to pass.

The Committee then determined it would continue to schedule its meetings bi-weekly on Friday and Saturday, with sessions to start at 10:00 a.m. on Friday, and 9:00 a.m. on Saturday.

Following discussion on the mechanics of such hearings, Mr. Planchard moved that the Chairman appoint a subcommittee to meet following Friday's session and report Saturday how the March 30 and 31 Committee hearings on Ad Valorem Taxes should be scheduled and who should be heard. The motion was carried without objection.

The Chairman named Mssrs. Champagne, Chehardy, Conroy, Triche, and Senator Brown to serve on the subcommittee and suggested they select a chairman if they so desired.

Following a brief statement of the proposed agenda for Saturday, March 17, the Chairman stated that without objection,

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the Committee would stand recessed until 9:00 a.m. Saturday, March 17, in the Senate Chamber. There being no objection, the Committee so recessed at 4:30 p.m.

The meeting was reconvened by the Chairman at 9:25 a.m. and the roll was called.

Present:

Charles A. Badeaux  
James H. Brown, Jr.  
Walter J. Champagne, Jr.  
Lawrence Chehardy  
David Conroy  
J. D. DeBlieux  
Frank M. Edwards, Jr.  
John Clyde Fontenot  
Herman Lowe  
J. A. McDaniel  
Claude Mauberret, Jr.  
Pegram Mire  
Autley B. Newton  
B. B. Rayburn  
Earl J. Schmitt, Jr.  
Charles Slay  
Jasper K. Smith  
Risley C. Triche  
F. D. Winchester

Absent

John A. Alario, Jr.  
Samuel B. Nunez, Jr.  
Arthur J. Planchard  
Charles E. Roemer, III

A quorum being present, the Chairman called for the subcommittee on hearings' report. Subcommittee Chairman Risley C. Triche reported that the subcommittee recommended:

- 1) That on Friday morning, the first day of hearings on Ad Valorem Taxation, the Committee hear discussion by the members;
- 2) That the Friday afternoon sessions be limited to hearing expert witnesses assembled by the staff; that such experts include representatives of both sides of the question; litigants involved in ad valorem law suits (with technical analysis by Staff to follow.) The purpose for this was to give the Committee a better understanding of the problems involved in litigation. Should it be required, this portion of the hearing would be continued Saturday morning.

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- 3) That such experts' presentations would be limited to fifteen minutes and experts would be requested to submit written versions of statements and other pertinent data and documents.
- 4) That on Saturday, the public's views be heard, with no screening and limitation as to number appearing except as time dictates. Those speaking would be limited to five-minute appearances, with the same request for written presentations. These "public" speakers would register their names with the Committee Secretary so that the Chairman could "recognize" them.

Subcommittee Chairman Triche moved that the resolution or recommendation be adopted. It was adopted without objection.

Sen. DeBlieux suggested that in order to prevent indiscriminate testimony or "jamming" of the public hearing, that speakers be registered by the Chairman or staff prior to the hearing.

Mr. Triche explained that the subcommittee had discussed such a situation and the thought voiced was that a member of the staff would informally list all the people who wanted to be heard prior to the meeting. Further, that after the Chairman received the list, the Chairman would recognize the speakers at his discretion.

Mr. Slay moved that the hearings, including the Committee discussion and speakers, be tape-recorded in their entirety. The motion carried without objection.

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Mr. Fontenot asked what measures were to be taken to publicize the hearings.

Mr. Triche stated that the subcommittee had recommended that the staff be responsible for publicizing.

Mr. Mira asked if the Committee would have the opportunity to question the experts at any time.

Mr. Triche said yes.

Mr. Winchester observed that the publicity would take care of itself, in the form of interested groups and the various views to be expressed. He cautioned against additional spending for publicity.

The Chairman then stated that he and the staff concurred in the belief that since a subcommittee on Ad Valorem Taxation would include the whole Committee, that only two subcommittees would be necessary and that one would be assigned Revenues (other than Ad Valorem Taxes) and the other Public Finance.

The Chairman requested that Mrs. Duncan review the topics assigned to each committee (as described in Staff Memo No. 1 attached hereto). Following this review some discussion was heard.

Mr. Triche asked if the two subcommittees would be able to cover adequately all of the topics mentioned and that the Committee consider naming six or seven subcommittees to study the two main divisions of subjects.

The Chairman responded that each of these two subcommittees recommended could, at will, subdivide into smaller groups to cover the material and suggested that this was a possibility. Mr. Triche concurred.

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Mrs. Duncan then called to the Committee's attention a guide to the existing Constitution's provisions relative to the subcommittees' assigned areas of consideration and arranged thusly, (attached hereto and referred to as Staff Memo No. 2) and to the revised "Enumeration of Subject Matter. . ." by Article, Section and Content of same Constitutional provisions (afterwards referred to as Staff Memo No. 2 and attached hereto).

The Chairman pointed out that the subcommittees had the privilege of adding to or subtracting from the data recommended.

Mrs. Duncan agreed and reviewed with the Committee the subcommittee assignment lists (hereafter referred to as Staff Memo No. 3 and attached hereto).

The Chairman stated that subcommittee members could trade memberships on subcommittees and also subcommittees could select their own chairman.

Mr. Edwards moved that Article VII, Section 65 be considered with Ad Valorem Taxation by the Committee as a whole. Motion carried without objection.

Following the Chairman's suggestion that the Committee adjourn to subcommittees, Mr. Slay recommended that the Chairman name temporary subcommittee chairmen. The Chairman so designated Mr. Slay for the Revenue Subcommittee and Mr. Badeaux for Public Finance.

A discussion followed on the scheduling of meeting dates with Mrs. Duncan explaining the requests for

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limitations thereof by the Executive and Composite Committees, respectively. Other conflicts on scheduling were also enumerated.

Mr. Smith asked for a leave of absence from the March 30 and 31 hearing dates. This was granted without objection.

The Committee's decision was to retain the originally established meeting schedule and, in ensuing meetings, to devote the morning sessions of the first days to committee study, the afternoon and following morning sessions to subcommittee meetings and to, on that afternoon, return again to the full Committee for reporting.

Mrs. Duncan reviewed the dates presently scheduled for the Committee including: March 30-31, April 13-14, April 27-28, May 11-12; May 25-26, June 8-9; June 22-23. Mrs. Duncan reminded the Committee that it has been strongly recommended that all Committees transmit their reports, proposals, and other data to the Research Staff for study before July.

Mr. Slay asked if there was not a Convention Rule adopted stating that the various substantive committees were to have their proposals prepared sometime in June so that the delegates could review them in advance.

Mrs. Duncan then quoted Rule 40 of the Convention's Permanent Rules: "Committee proposals prepared and approved by the several committees of the Convention prior to July 5, 1973, shall constitute the first proposals to be introduced

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in the Convention and shall be introduced by the Chairman of each committee or his designee, and shall bear the signature of a majority of the members of the committee. These proposals as far as completed shall be mailed to all Convention delegates on or before June 22, 1973".

Discussion followed, pertaining to possible committee proposal and reporting deadlines.

Mr. Lowe suggested, in connection with the various time limitations and recommendations, that the Committee go on record with the Executive Committee stating that compliance with such limitations would impose hardships on the Committee in fulfilling its responsibilities and delivering the product by the time mentioned.

Mr. Newton requested that the Research Staff prepare material on the solutions to Ad Valorem Taxation problems used in other states. The Chairman indicated this research was presently in progress.

Senator Brown requested a copy of the Bussie vs. Long decision. The Chairman stated that copies were available.

Mr. Conroy requested a leave of absence for the April 13-14. The request was granted without objection.

Mr. Champagne observed that the March 30-31 hearing might not receive sufficient publicity, and urged the Committee members to contact each of the news media in their home areas to tell them about the hearings and to stress that public participation was invited.

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Mr. Lowe suggested authorization by the Committee for the subcommittees to set meeting dates for the two additional days as approved in the estimated budget.

Mr. Triche observed that after the convention considered the various proposals in July, those proposals pertaining to Revenue, Finance and Taxation would be returned to the Committee for further study and final recommendations. He voiced the understanding that the Committee was presently to investigate and compile information in order to determine what problems exist, and to give the public an opportunity to voice its wishes.

Mr. Triche continued, that instead of meeting twice monthly in Baton Rouge that the Committee schedule its meetings throughout the State. He further suggested that the Committee ought to meet more than just twice to consider property tax problems, and that at least one day hearings be conducted in areas such as Lake Charles, and Alexandria. In addition, the subcommittees ought to meet in other locations throughout the State. He suggested allowing the subcommittee chairmen to fix dates and sites for meetings.

In that context, Mr. Triche moved that the Committee of the whole, acting as the Subcommittee on Ad Valorem Taxation, meet at least two other times or for four meeting days in cities other than Baton Rouge and that the subcommittees should also meet in other cities.

Senator DeBlieux suggested that at least half of the sixteen scheduled Committee meetings be held in other cities, and offered the suggestion as a substitute motion.

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The Chairman voiced the view that the subcommittees should not be limited to meeting places away from Baton Rouge, and that until the subcommittees meet, such decisions should be left to the discretion of the subcommittee.

Senator DeBlieux asked if the sixteen scheduled meetings were for the entire committee or included subcommittee meetings.

The Chairman responded that the sixteen meeting limitation was merely a suggestion of the Executive Committee for budgetary purposes, and that if necessary the number of meetings could be revised.

Mr. Lowe observed, after a brief discussion on meeting procedures, that were the Committee to decide to meet outside of Baton Rouge, that determination should be made with adequate leeway for budgetary planning, because of the necessity for Staff members' travel expense requirements.

Mr. Slay suggested that in meetings succeeding the March 30-31 hearings Friday be devoted to the work of the Ad Valorem Taxation Subcommittee and Saturday to other matters. He stated his desire to hold such meetings in locations other than Baton Rouge but including Alexandria, and including the different areas of exemptions.

The Chairman suggested postponing specific planning until after the forthcoming hearings.

Mr. Champagne voiced hope that the decision need not be made immediately. He pointed out that first the Committee must decide the extent of the problem and then determine its possible solutions.

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He further stated that the Committee, because of the severity of the Tax Equalization problem, might deserve additional time and funds for deliberation if necessary to the solution.

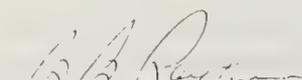
Mr. Winchester stated that monetary considerations should not limit the work of the Committee, and that no one should dictate how often meetings should be held.

Without further discussion the motion as stated by Mr. Triche carried without objection.

Mr. Chehardy spoke in clarification on Ad Valorem Tax Equalization to the Committee. A verbatim transcript is hereto attached.

Following this period, the Chairman suggested that the subcommittees meet following adjournment of the Committee of the whole.

Without objection, adjournment was so ordered at 10:45 a.m.

  
Senator B. B. Rayburn, Chairman

  
Sheriff Frank M. Edwards, Jr., Vice-chairman

  
Charles E. Roemer, III, Secretary

NOTES  
"Taxes and Industrial Location"  
by John Garwood is reproduced at 5  
National Tax Journal 365-369 (1952).

CONSTITUTIONAL CONVENTION OF 1973

MEMORANDUM: Decision of the District Court in the Case of Bussie, ET UX vs. Long, ET AL, Rendered March 15, 1973

In Bussie v. Long, the 19th Judicial District Court held the Louisiana Tax Commission was violating state law and federal constitutional provisions in administering the Louisiana property tax system. It found that state law requires assessment at actual cash value and that the 14th amendment of the U.S. Constitution is being violated because of discrimination and inequality in assessments, this inequality existing both within parishes and between the various parishes in the state.

The court ordered the commission to work toward assessment at actual cash value in accord with state law and to establish a plan of property tax assessment that would remove the inequalities and discrimination prohibited by the 14th amendment. The commission was granted until January 1, 1975 "in which to make full compliance" with the court's orders.

The commission argued that recent constitutional and statutory changes had removed the requirement of assessment at actual cash value. But the court concluded there are still at least 14 instances in the state's law requiring actual cash value as the standard of assessment, and which require the commission to fix that standard.

More important, the court rested its decision on federal constitutional grounds, citing U.S. Supreme Court cases directly in point which interpreted the 14th amendment to require equality and uniformity in property taxation. Besides resting on equal protection, the court concluded that due process also requires uniformity in assessment for taxing purposes, and that failure to provide that uniformity results in depriving citizens of property without due process of law.

The court also made a finding of fact that the present system results in inequality of assessment both within parishes themselves and between different parishes in the state.

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The crux of the decision is that the amount of tax one pays is required to be based on the value of one's property. It is not required that each citizen pay the same or equal amount of property tax. Rather, the tax must be proportioned to the value of the property. Reference is made to the actual value of the property for these purposes, and the inequality results when the value for assessment purposes is not a reflection (1) of the actual value or of (2) the proportion of the value of one citizen's property to the total value in a taxing area. The court said this:

Some of the gross examples of these inequalities were shown in home assessment. As an illustration,

one home in Jefferson Parish sold for \$12,500.00 and was assessed for \$2,100.00 whereas another home in the same parish which sold for \$12,300.00 was assessed for \$400.00.

In this example, the first homeowner is made to pay more tax (same millage for both) on his property even though both parcels of property are of the same value and equality requires they pay equal tax.

Along the same lines, when a state tax is involved, that same inequity arises when assessments in different parishes are not the same percentage of actual value. The same is true for districts which cover more than one parish.

This state court decision goes beyond the decision of the federal court in Levy v. Parker, 346 F. Supp 897 (E.D. La. 1972). There, the court was concerned with state property taxes and the Property Tax Relief Fund, which were declared unconstitutional because property in various parishes was assessed on different standards and without any uniformity.

This case concerns parish and multi-parish district taxes, also, and finds an invalidity in those taxes because of lack of uniformity and inequality within parishes and between parishes in a multi-parish district. And because the decision rests on federal constitutional grounds, a change in state law removing in all instances the necessity for assessment at actual cash value would not change the effect of the decision. Equality would still be required.

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This could possibly be done: (1) By requiring actual cash value assessment in all parishes or a percentage of actual cash value in all parishes. (2) If state property taxes and multi-parish district property taxes were removed, then assessment within a parish for parish taxes would all have to be at actual cash value or the same percentage of actual cash value.

REMARKS OF LAWRENCE CHEHARDY

TO THE COMMITTEE ON REVENUE, FINANCE, AND TAXATION  
March 16, 1973

Prior to my becoming assessor, there was a study committee formed, a tax committee on equalization advising the Louisiana Tax Commission, which tax commission ordered tax equalization in the State of Louisiana in January or February of 1966. I have the telegram still.

I took notice one day and found this miserable scheme being foisted on the State of Louisiana. If anything, the assessors have stopped for eight years what you have finally started to try to put into effect as of two days ago. But, of course, you have to remember some of the laws the Senate and the House passed and which was ratified as Constitutional amendments which have already started to erect a barrier in this court action.

But I want to get back to Mr. Champagne. You said

about tax on movables. For example, we inherited a system where tax rate in my parish aggregates on an average from one hundred to one hundred and thirty dollars a thousand of assessments. Other parishes have twenty-five dollars a thousand or, I believe, twenty-seven might be the lowest millage in the state. Other areas get eighty mills; St. Bernard, I believe, has around a hundred mills. Some parishes have around one hundred and twenty mills also.

Chehardy Statement

To bring into focus assessments statewide, and millage rates, tax rates is a distinct impossibility. The best way to give you an example of what is happening, more than anything I can tell you, is to "gift it", that's what the insurance company goes by. I have here an article, and it was sent to me by people who formerly lived in your district, a very prominent doctor who was in Boston. This was on August 2, 1970. This is a state, an area, which put into effect what Senator DeBlieux's clients asked for. This reprinter in this Boston Sunday Advertiser, August 2, 1970, one of the many articles I acquainted the people in my district with. Here's what he said:

(Reference attached)

This is not Chehardy speaking; this is not an assessor anywhere saying this. This is a man reporting the results of this scheme.

(Continues quote)

This is not rumour; this is factual. We are looking into the track result of this action, of this decision this court rendered, which I say I defy.

(Continues quote)

Remember, we can change it before it happens, and I've been warning for eight years, and most assessors have been warning for eight years.

And we could go on. In New Jersey, for example, they pointed out that by putting into the system, "it's (get quote as attached "B")

In Florida, the first year it went into effect,

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Chehardy Statement

and where they love to tell you millage will be lowered, to give you a concrete example, in Jacksonville, Florida, in 1964, they collected twenty-seven million. In 1965, tax equalization, this very wonderful "horrible", not wonderful, "horrible" system was put into effect, they promised to lower it by lowering the millage. In

other words, lower the millage and you increase the taxes. In the next year, you know how much taxes they collected? Forty-nine million. The taxes practically doubled the first year. This is historical evidence. And this is common. This is in California; this is throughout America, wherever they put in this system. They always put it under the guise of correcting inequality in assessments, because they have to have some excuse to push the tax burden on to those least able to pay. Everyone that has fostered this, for example:

(referred to Page 10, Bussie vs. Long attached)

But the point is, many of you all do not know these problems. I think you're charged with the greatest single responsibility that's ever faced this state by any legislative body.

This is why I'm so insistent that we as a whole group... (refers member by member to situation in parishes represented)

It's a gad system. When you start going after the little homeowner to try to raise the funds today that six million dollars of industrial exemptions have taken from us.

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Chehardy Statement

We have six million dollars in industrial exemptions.

For example, here's a study make that shows industrial exemptions the least inducement to a new industry is the lower taxes. That's the least reason they will come to our communities.

So there are so many issues to consider.

STATEMENT BY LAWRENCE CHEHARDY TO THE  
COMMITTEE ON REVENUE, FINANCE, AND TAXATION -- Saturday,  
March 17, 1973

One of the areas which I feel is not subject to too much debate or too much argumentativeness would be the Homestead Exemption, which is, of course, one of the most important things we have to study.

At the recent Extraordinary Session, the Homestead Exemption was written in that provision of the Constitution. If there is no objection, I would like to explain the Homestead Exemption as it stands today in Louisiana.

If we even accomplish understanding this to its full extent and its full value to the people, and decide whether to enlarge it or not enlarge it, where we stand on it in relation to tax problems, we will have accomplished plenty.

Now, the first provision today on Homestead Exemption is contained in Article X, Section 4 and as amended at the

special session, provides that every homeowner who has a homestead to the full extent of \$2000, and if a veteran, \$5000 for the period involved in this \$5000 exemption.

The most important change that took place at the extraordinary session was that whereas the \$2000 Homestead Exemption, as previously in our Constitution, was limited to the amount of money on hand in the State Property Tax Relief Fund, to reimburse the communities granting this money. That was how it was limited.

In other words, once the Property Tax Relief Fund was

Chehardy Saturday Statement

destroyed by the decision of the Circuit Court in New Orleans, then technically your Homestead Exemption was at an end. You had no Property Tax Equalization Fund from which to reimburse communities, then you were prohibited under the existing law for granting a Homestead Exemption. In other words, it was not a pure right given to the citizens of Louisiana, it was a right conditioned upon the money in the Property Tax Fund. Now that was taxation structured.

So, it was solved at the Extraordinary Session in this fashion:

Number One -- The right was made absolute. The Homestead Exemption was then granted per se, of right to every citizen of Louisiana that owned a home. In other words, the Senate, the House proposed it, the people passed it. The \$2000 exemption was really not dependent upon any reimbursement of any money whatsoever. It was the first time in Louisiana that you had Homestead Exemption guaranteed to you despite any reimbursement of any type of money.

Next thing -- Over the years, the homestead fund had deteriorated or had been imposed upon by excepting from the Homestead Exemption various taxing districts such as districts that were not parishwide and special districts that were not included. And it finally narrowed down basically where there had to be a parishwide district before it could fall under the Homestead Exemption.

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CHEHARDY STATEMENT SATURDAY

Therefore you had special fire districts not subject to Homestead Exemption unless they were parishwide districts, and in some parishes hospital districts not subject to Homestead Exemptions, unless they were parishwide districts. And, basically, you had added more and more things which were not subject to the Homestead Exemption.

As amended, the law preserved those districts that had already enacted free of the Homestead Exemption certain bond issues such as certain districts, as hospital districts and

other types of districts, preserves and upholds those as not subject to the Homestead Exemption, because you today have already created a debt. But, henceforth, with the passage of this Constitutional provision, everything is subject to the Homestead Exemption. There is no more exclusion.

So the people of the State of Louisiana today, whether they really realize it or not, have been given a total exemption.

This is all future, if I understand it right.

MIRE:

That's right It's all future.

What tax roll will it commence on?

WINCHESTER:

Nineteen-seventy-three. The exemption is there. But what he's talking about is this, for example, we have a hospital which was not subject to the Homestead Exemption, because of specific exclusion by an amendment to the original Homestead Exemption clause, those are preserved.

You know, they are already on the books; they have to

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CHEHARDY STATEMENT SATURDAY

pay off their debts, and the communities would have no other source of getting that money. Therefore, those remain are not subject to Homestead Exemption.

Now, Number One, we said is that the Homestead Exemption is no longer dependent upon reimbursement.

Number Two is that it no longer includes districts of certain types. It is no longer limited. It is really a Homestead Exemption in the true sense of the word, a guaranteed right to the people.

My proposition is that, as it stands today, definitely it should never be touched except to be enlarged. And, if anything, that would be that when we get into the positive argument on what to do about it would be whether or not we should go into a larger Homestead Exemption, as a possible stopgap between any possible implementation of equalization.

Now, the other thing that was accomplished that came about in this same particular amendment, since the Property Tax Equalization Fund was abolished in view of that decision, they set up a revenue sharing plan. And this revenue sharing plan, in the Constitution, guaranteed, I believe, \$80 million to go back to municipalities as a revenue sharing plan, but only as a base.

So the next thing is, should we consider increasing that fund? Not decrease it.

Now, the whole point of this conversation is, we have before us an amendment that was passed by the people of this State already, dealing with their Homestead Exemption. It

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CHEHARDY STATEMENT SATURDAY

just passed a few months ago and is new law in our books and the Constitution.

I think it's a provision that we should not deal with, not a provision that should be fooled with, other than two things. Two thoughts strike me. Number One, its basic formula. In the basic formula guaranteed for revenue sharing - should it be enlarged?

Let's take that first. If we go into that, what we have to realize is that that \$80 million base substituted for the Property Tax Equalization. And I'm sure most of you are familiar with it.

But that was a formula that was created pursuant to the original Constitutional provision by the Legislature and established a formula based on monies received from income taxes, public utility taxes, and alcoholic beverage taxes.

That fund, possibly less a reportable through something like \$200 million, so that maybe we should consider a base in excess of \$80 million. Maybe a base of \$120 million to go back to the community.

The next thing would be the Homestead Exemption itself as to veterans. Well, that would be the third one.

The second point is the present, the \$2000 basic Homestead Exemption. Should we consider the \$3000 or possibly the \$5000 or, as I originally pushed for and I always thought would be the greatest thing that I could ever accomplish in this State and would build an endless labor supply, would be

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CHEHARDY STATEMENT SATURDAY

to give total exemption to homeowners and to do away with the industrial tax exemption, which is not an inducement to industry. It's the last thing in rank. Yet today, and too many people are not aware of this fact, industrial exemptions have removed from taxation over six billion dollars of assessable property. Not million. Six billion dollars is removed.

I have articles by experts in the field who have proof in the field that the last thing that draws an industry to your area is the lower tax rates. For example, they recently granted another exemption to one of the utility companies, one of the last ones, \$385 million, As far as hiring employees, I understand this firm hires twenty-five or twenty-six employees. Yet they're off the roll.

Yet they use our lighting districts, our roads. We have to support our schools. People are wondering why we have our problem. We have a problem because industrial exemptions are removing a fortune from the books.

Those, generally, that snicker when you say this, are those the least informed, and are probably the most ignorant

in the field. They really do not understand how silly this is to have six billion dollars. I don't think there's an assessor that can't tell you how much it hurts him, to see, it hurts when they're raising money in his community to see that much erased off the books.

We have already, I believe we're up to almost 250, that we have no control over in our parish. That's removed

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CHEHARDY STATEMENT SATURDAY

at the state level by the state board. Now that's an area to be considered and that's in direct relation, because if that money comes back into the coffers of the State and entered into the taxable areas of the various communities and the various parishes, you do not have, you do not get as great a concern in giving more Homestead Exemptions to homeowners.

At the very least, we should throw out for discussion the problem of increasing the Homestead Exemption.

The next thing is the veterans. And I advocate that this question of extending the \$5000 exemption for the veteran for five years at a time is ridiculous. And I believe that if there's any one group that we owe anything to and it's going on anyway, we should make the veterans' exemption a permanent thing. If it should be a \$5000 exemption, if that's where it remains, it should stay there. It should never be decreased. We should stop this five years at a time, six years at a time. To my mind, that would be another area in this.

But, other than that, we have a beautiful Homestead Exemption law. Probably it's greater today in its protection of public right than it has ever been.

We consider those several points and preserving the veterans exemption and making it, declaring a total exemption for the veteran, at an advantage over the others, a \$2000 exemption with a view to increasing it or, if it's possible, to totally exempt homes, we do so. And other-

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CHEHARDY STATEMENT SATURDAY

wise to increase the basic guarantee for revenue sharing from \$80 million up to a somewhat higher figure, that to me is the scope of the problem I see here.

And, this is something we can throw open for discussion if someone has an adverse view on it, or has something else on it or wants to ask questions, I'd like to answer questions on it, and research even more on the subject.

SCHMITT: I wish you'd go into a discussion of how we got into this problem. As an example, how do you go about

determining a property value? What's the difference between that and assessed value? What's the difference between that and the amount you pay tax on and so forth? I think there are about two or three levels or something like that that we'd have to understand before we could understand this on the Homestead.

Oh yes, oh yes. That's a good point you brought up.

Let me say this. There was another point that was cured, another important point that was cured in the Extraordinary Session. The Homestead Exemption has always been applied by the assessor against the final assessment figure. In other words, if an assessor is using ten percent ratio or twenty percent or thirty percent, you take your \$40,000 house, the ten percent of that is four thousand. Then he applies the \$2000 Homestead Exemption.

There was a Supreme Court decision rendered sometime prior to the last Extraordinary Session which stated that the Homestead Exemption law then, that the exemption applied

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#### CHEHARDY STATEMENT SATURDAY

to the top value. In \$40,000 you took off the Homestead Exemption off the top, making \$38,000. And then your assessor would take off the \$38,000 at ten percent or \$3800 and you would pay tax on that.

Under the amendment proposed, it specifically changed the wording, stating that it's \$2000 of assessed valuation. The exemption applies to \$2000 of the assessed valuation. That's the next big forward step that was made by the Louisiana Legislature, and the Governor in proposing this particular amendment on the Homestead Exemption.

Now, concretely, for an example, if you have a \$50,000 house, and the assessment value is ten percent, you would have a \$5000 assessment. Then you would be exempt to the \$2000. Still, under today's, even though it's been amended by a Constitutional provision, if there are existing districts, you would pay those taxes. In the future, new districts are, of course, exempt. But, if presently, there is a fire district, you would pay that particular tax. If there is a hospital district, you pay that. Literally speaking that tax would be negligible or practically nothing, in that case.

On \$2000 Homestead Exemption on a \$50,000 house at ten percent would be the \$5000 assessment figure. Take off the \$2000 which leaves \$3000. On that \$3000 you would pay the prevailing millage. That means, for example, in a parish with a hundred mills, you would pay a \$300 tax.

Let me give you a concrete example. In New Orleans,

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#### CHEHARDY STATEMENT SATURDAY

if you had a \$50,000 house assessed at twenty-five percent (and this is a good point). Twenty-five percent of a \$50,000 means a \$12,500 assessment. Take the \$2000 off of that which leaves \$10,500. At thirty-eight point two mills multiplied by \$10,500, you get approximately \$400. Fine.

Now, let's take a parish where the assessment is eight percent on a \$50,000 house. Okay? Eight percent of fifty is how much? Four thousand. Then you take off that \$4000 the \$2000 off for the Homestead Exemption. It leaves \$2000 taxable; at one hundred and thirty mills, how much is that? Two sixty. And how much is that tax in New Orleans? Four hundred.

Now let's go back on the four hundred. That was set at thirty-eight point two on \$10,500? Taxable rate? It would be ten times that figure.

Now let's take another parish, which I believe Plaquemines Parish has twenty-seven dollars per thousand. What's there assessment?

SCHEMITT: On these two examples, how much would the State pay those particular parishes to benefit those parishes? That's a good question.

First, as an answer, what was paid before under the Property Tax Equalization Fund, they would be paid the full amount of these taxes. Just what you saw there in the amount of the exemption.

And therein lies the discrepancy. And that is one of the reasons the case in New Orleans was decided saying that

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#### CHEHARDY STATEMENT SATURDAY

the Property Tax Relief Fund was not being distributed on an equal basis. It was kicked out.

Today, it has no relationship whatsoever. They have a Revenue Sharing Plan that's based on formulas having nothing to do with the particular amount of the assessment. In other words, whether or not that man was assessed at one hundred percent in one parish or eight percent in another, when it came back to the State, it had no bearing. You understand?

Now, the other way the formula was achieved between the communities at the last Extraordinary Session. The five and three-quarter State tax was removed. When the State tax was in existence, you had a taxing discrepancy there between two citizens paying a State tax. We no longer have that.

When the State tax was removed, the common denominator was removed between the people. There's only one area left for correction, and that is where you have a common district. The Ponchartrain District or things like that, several por-

tions of several districts. There, we have to solve that problem to insure equality in that section.

But, the common denominator between Orleans, Jefferson, Plaquemines, Rapides, Calcasieu, and Caddo -- all of that inequality was removed with the five and three-quarter State tax. The problem then is, within that parish you owe equal treatment to the people involved within that taxing district. That's the Constitutional prohibition or a guarantee that people in the same situation would be treated equally.

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#### CHEHARDY STATEMENT SATURDAY

Previously, there was no way to do it. Because you had the five and three-quarter mills tax. So you own a \$40,000 house and you're being assessed at one percentage. And in every other parishes are different percentages. So no one is paying that five and three-quarters on the same assessment. When you removed that five and three-quarters, the greatest common denominator was removed, which made a discord in the taxation level or the assessment level. Today, if you would assess people at the same level throughout the State, you would have the greatest area of inequality that is conceivable. For this reason.

In this case we mentioned here the people in the Parish and Jefferson was an example. Or, take another parish. Take a parish other than Jefferson. Who has a parish with eighty mills. Or up. Rapides?

Rapides has eighty, so we'll take Rapides Parish. Rapides has eighty, New Orleans has thirty-eight. Twice as much taxes on the same assessment. What could be more inequitable?

Then, the next problem is that people say you're over the millage. And therein you get into the problem as to where to lower the millage. The solution is not to lower the millage. They will never lower the millage.

There are many taxes such as in New Orleans that are collected to go specifically to certain districts. And that's it, period. There's no way to touch the money.

Basically, and the attorneys here can bear this out,

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#### CHEHARDY STATEMENT SATURDAY

millage that relates to services, etc., cannot be touched.

So, even if you succeed in fooling with the millage, you will never lower it to a boundary, a figure where equality will be constant. Yet within a given taxing district, with no common denominator...What does anyone in Orleans have

to be concerned with Rapides Parish? By what stretch of the imagination are you citizens in Orleans comparable to a man who pays eighty mills on a house to a man who pays thirty-eight mills?

So, when you achieve equality and guarantees of the Constitution and bring it to every homeowner in the State, as within the given taxing district everyone is treated equal. If not, the Federal Court steps in. Anyone who has a federal suit, if his appeals to his assessors and his appeals through the tax commission and to the courts, are not heard, then he has a right to bring discrimination suits under the Constitutional guarantee for equal treatment. And that's how it evolves and the Homestead Exemption and its discrepancy was solved by that decision. What looked like a black cloud actually acted as a catalyst to have many other important laws passed that solved the problems of the Property Tax Equalization.

So that the ridiculous things that you used to see, for example, in my assessment, a percentage put a man below \$2000. I would never arbitrarily put him at \$2000, just to get back the funds from the State. And they're apprised of that. Everyone was assessed at least at \$2000 and if he was a vet-

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#### CHEHARDY STATEMENT SATURDAY

eran, they were putting him at \$5000. That isn't the case. For an assessment of \$1800, it was put at \$1800, even though the man was a veteran.

SCHMITT: If this should be the situation, why would parishes, such as Orleans and some of the other parishes, object to the present system?

Well, right now, what they are basically objecting to is removal. And, as far as I'm concerned, I'm not aware of what objections unless you say specifically. The Homestead Fund. That problem is gone. That was the greatest difference between Orleans and Jefferson. If that's what you're thinking of. Or, for example, Orleans and Rapides, or any other parish that had more than thirty-eight mills. Then on that \$2000 exemption, they were getting more out of the fund.

The other basic objection was the five and three-quarter mills State tax. That one man was paying five and three-quarters on a \$50,000 home or a \$20,000 home they started a thirty-eight percent assessment, or a twenty percent assessment, and someone else was paying it based on a ten percent or a seventeen percent assessment. But that area of objection is gone.

CHAMPAGNE: I have a question, and I don't want to be against your theory, because I agree with it a lot. But, there's one thing that comes to the mind. I'm sure it was in Senator DeBlieux's mind. In other words, we have two ranges of views here, and I'm somewhere in between.

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CHEHARDY STATEMENT SATURDAY

Now the only assumption you have, the only thing I differ with you on is the \$80 million that comes from the State fund, does it not?  
That is correct..

CHAMPAGNE: In other words, I would figure it out to my satisfaction, in my mind. There's only one point on which I differ with you. In other words, I want Homestead Exemption, I want to increase them and so forth. But the one thing I want to ask you is do you admit that the \$80 million in this fund is State money?  
Yes, it is State money.

CHAMPAGNE: It is State money, regardless of where it came from. As such, a resident of one parish has as much right to it as the resident of another. And, of course, you said it and the Governor said it, that the State is out of the property tax business. But the State fund is still subsidizing the Homestead Exemption.  
No, sir. Not at all. Actually, there's a completely different situation. Actually we have a Revenue Sharing Plan Committee right now who is studying on this. It is based on population, all kinds of factors which have nothing to do with the Homestead Exemption. Not at all.

CHAMPAGNE: I have one more question. Where does the money come from for the Homestead Exemption to pay back to the local people?  
None is paid back.

CHAMPAGNE: Well, why do you get this check? I know that, in other words, in my district there is some money is taken

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off because of Homestead Exemption. Now this money is not going to be lost. They have to have this money to keep, for instance, fire districts alive. Now, you say, they're not going to get this money? The Homestead fund, the Property Tax Relief Fund has been abolished at the last Extraordinary Session. There's something completely new.

CHAMPAGNE: I understand. In other words, you're changing the words but really...

No, Mr. Champagne, no. You're saying money's coming in. Money is not coming, you see. This right. In other words, let me show you, let me tell you how the Homestead Exemption works today. For the first time, a man has a home it is exempt. Period. Now, let's take it and work it out how it happens to that money which was formerly reimbursed. Correct? Where does that money come from?

Here's what happens. Let's say, for example, you have an assessment base. Let's take an assessment base of \$200 million. Of that amount, the Homestead Exemption amounted to, let's say, \$5 million. Okay? Of the taxpayers. Five

million dollars was Homestead Exemption Money. They want to impose say a two mill tax on a bond issue (for \$400,000) for a given purpose. Today you no longer have that \$5 million for Homestead Exemption included. So you would now still have to raise \$400,000 to service that bond issue. Now instead of two mills, you may need two-and-a-quarter mills. And it will be that five million, the lowest assessment

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CHEHARDY STATEMENT SATURDAY

value is excluded and the remaining \$195 million would carry and pay off that \$400,000. Therefore, instead of two mills, you might need two-and-a-quarter mills.

But one thing, it will actually help the communities. Recently, for example, we fight bond issues. For almost eight years, every single bond issue unless it was absolutely essential, to prevent milking of the Homestead Fund.

And today they recently passed a bond issue. And this is true. I stopped every bond issue in Jefferson Parish with slight exception, and I also received critique from the same area. Yet every time I would have permitted it, there would have been an extra forty mills coming out of the coffers by now, you know, in an eight-year period.

So, it was serious to me and not just a bond issue. Yet today, they just recently passed a bond issue, because they were able to tell the people it was subject to Homestead Exemption and it didn't come out of the State coffers. Those, the more expensive property, in other words, \$2000 level down, or five, those had the Homestead Exemption, so maybe they need one and three-quarter mills, they voted two mills. But that's where the money comes from, Mr. Champagne.

CONROY: In connection with the Homestead Exemption in the State Constitution, let's assume we have a \$2000 Homestead Exemption. Shouldn't all the people in the State be entitled to equal treatment with regard to that \$2000 exemption?

No question about them. They get that equal treatment

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CHEHARDY STATEMENT SATURDAY

within their own taxing district. There's no common denominator between all the parishes. The greatest common denominator is the particular districts that still remain. Like school and levee districts and things like that. And as an attorney, you know that what the law says, what the federal Constitution says, is that two people in the same situation must be treated equal. So, a man who lives in Rapides and is subject to an eighty-mill local tax and a man who lives in Orleans is subject to a thirty-eight mill

local tax are not going to be equal if they both, of course, apply the same percentage of assessment.

CONROY: But they do have a problem, unless those assessment rates, unless the taxes and millages are the same proportions as the difference in assessment rates originally...

No, sir, there isn't, because the people in the same situation are the people in Rapides who live within that taxing district. To get that guarantee that you're looking for, you have to look to the United States Constitution. You have to, then, when you're looking at the Constitution, you have to put two people in the same position. A man living in Rapides and a man living in Orleans are not in the same position. One faces a thirty-eight mill tax levy and one faces an eighty mill tax levy. If we would follow the concept that you just asked about, the people in Louisiana would say 'well, we're not equal with the people in Mississippi' and the people in Mississippi and Louisiana could say 'Connecticut has a different tax base' and

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#### CHEHARDY STATEMENT SATURDAY

the people in New Jersey...

In other words, there are basic taxing districts. You have people within that given situation being treated equally. Once you remove the five and three-quarter State tax, you remove the common denominator. And, as I said, we still have the problem of levee districts or other parish taxing districts.

CONROY: What concerns me, Mr. Chehardy, in regard to the Constitutional exemption for the State of Louisiana, putting it in the State Constitution and using a dollar figure for the exemption in Louisiana, is that if one parish uses a ten percent assessment practice, would that assure someone who buys a \$2000 home of not paying any taxes? And a person who is in a parish which uses a twenty-five percent approach would only be able to buy an \$8000 home and have it free of taxes.

Then, what you're saying there is this, in effect. There's nothing coming out of the State, as you say, with regard to the Homestead Exemption. So, there's no common denominator, you can't stop State bounds. The district is a bound. And that taxing district has to be uniform, even if the decision just rendered narrows it down to uniformity within the taxing district. The decision just rendered in the equalization suit recognizes that the uniformity has to exist within the taxing district. So that part of the decision created equal bounds. The decision has answered your question, and if you read the decision, there's no disagreement on that part.

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#### CHEHARDY STATEMENT SATURDAY

CONROY: I disagree with your analysis of it, because I feel that the State has a \$2000 exemption, the people in the State are entitled to equal treatment with regard to that exemption.

Chehardy: People are getting equal treatment with regard to exem...

WINCHESTER: Mr. Chehardy, wouldn't this answer Mr. Conroy's question? If you said that there is no more Homestead Exemption, but there is a Revenue Sharing Fund. The Revenue Sharing Fund is granted to the parishes, not on taxes, Homestead Exemptions, or anything. It is granted to the parishes by a formula that's assessments and something else and now is in committee study and, I understand, will be changed and based on population and other aspects. So, if St. Mary's Parish gets five million dollars through that new formula, and the people in St. Mary's Parish want to use a certain part of it to take care of the Homestead Exemption that is on the St. Mary's books, the difference then goes to, possibly, the police jury, and the school board. Sometimes, it has a different tax and the revenue, the difference between the amount of State tax and Homestead Exemption is different and therefore it is not a revenue getting back to the power of the State on anything other but a formula. But the law held that it takes care of the Homestead Exemption, the difference goes to the people in that particular parish. I think that would answer that question. Well, not only that. I think you can go beyond that.

All of these questions, I'm surprised that the interest you

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#### CHEHARDY STATEMENT SATURDAY

have, in spite of your not appearing at the many committee hearings you had, or to special committees to which the public was invited, those that had any interest. We had hearings for many, many days and with many, many groups, adverse interests, those who wanted the Homestead. It went before the Senate, it went before the House, and it ultimately went before the people of the State.

So this whole area has been explored and now the theory and process of having to re-look at it.

But, the thing, and this is unequivocally so, and I say this as one attorney to another attorney, there is no question legally that the guarantees of the Constitution guarantee one thing: that people in the same situation be treated...if you can show me where a person in Rapides Parish and a person in Orleans Parish with tax rate of thirty-eight dollars a thousand and another with eighty dollars a thousand are in the same situation, then you are really working a miracle. Where is the equality between these two?

The equality lies between a homeowner in Rapides on A Street and a homeowner in Rapides on B Street. Are these being treated equal? They belong to the same situation. If they're not being treated equally, the Constitutional provision these people have the right to go to the assessor, to the commission and to the federal government or through the courts. But there is no tie in anymore between that and the Homestead Exemption.

#### NOTES

Staff Memos cited in the Minutes are reproduced in Chapter II Staff Memoranda, below.

#### MINUTES

Minutes of the fourth meeting of the Revenue, Finance, and Taxation Committee of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention of April 5, 1973

Chamber of Commerce Building, 301 Camp Street,  
New Orleans, Louisiana

Friday, April 13, 1973 10:00 a.m.

Presiding: Sheriff Frank M. Edwards, vice chairman of the Revenue, Finance, and Taxation Committee

#### Present

Charles Badeaux (Friday)  
Sen. James H. Brown  
Walter J. Champagne  
Lawrence Chehardy  
Sheriff Frank M. Edwards  
John Clyde Fontenot  
J. A. McDaniel  
Dr. Claude Mauberret, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel B. Nunez, Jr.  
Arthur J. Planchard  
Sen. B. B. Rayburn (Saturday)  
Charles E. Roemer, III  
Earl J. Schmitt  
Charles Slay  
Jasper K. Smith  
Risley C. Triche

#### Absent

John A. Alario, Jr.  
Charles Badeaux (Saturday)  
David Conroy  
Sen. J. D. DeBlieux  
Herman Lowe  
Sen. B. B. Rayburn (Friday)  
F. D. Winchester

Rouge. Mr. Mire asked leave to be granted to Mr. Winchester due to illness in the Winchester family. Mr. Conroy had been granted leave for April 13, and 14, 1973, meetings during the March 31, 1973 meeting of the committee.

The agenda was adopted without objection.

Rep. Thomas Rice of Jefferson Parish advocated consideration of property owners with fixed incomes in determining ad valorem taxation proposals. He stated that property owners in Jefferson Parish felt they could not afford one hundred percent assessment on actual cash value of their property. Mr. Rice recommended that the legislature be the agency to determine solutions to the ad valorem problem as it currently appears.

Rep. Eddie D'Gerolamo of Jefferson Parish, former Kenner mayor and Constitutional Convention delegate, asked to go on record as opposing any valuation at market value, because appraisals would fluctuate greatly, and profits would influence proportionately both value and the taxes assessed on the property. "Zoning", Mr. D'Gerolamo pointed out, could

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also influence property values.

Mr. D'Gerolamo recommended that the assessment ought to be applied to the purchase price of the property. He further urged the small homeowner be guaranteed in the constitution a homestead exemption.

Councilman Peter Bier of New Orleans asked that the democratic process be allowed to determine the limitations on municipal earnings taxes, and that it not be limited in the constitution.

Ed Steimel, executive director of Public Affairs Research Council of Baton Rouge, asked first that the new constitution not provide for tax reform, but confine itself to constitutional reform only. He cautioned that governmental or tax reform in the document might greatly impede progress in other areas. a copy of his statement as presented is attached hereto and made a part of these minutes.

In the discussion period, Mr. Steimel answered questions on PAR's position on tax reform, on the experiences of other states with equalization, on the legislative acts of 1972 regarding tax, on the elements involved in the mechanics of millage roll backs, on the flexibility of the property millage and assessments, on the needs of local communities for revenue, and on the attorney general's decision concerning homestead exemption.

Edmond G. Miranne, president of Security Homestead Association, speaking for the people he serves in that capacity, provided a breakdown of the loans served by the

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Following the roll call, there being a quorum present Vice Chairman, Sheriff Frank M. Edwards, asked for a one-day leave of absence for Senator Rayburn, who was presiding at the meeting of the Legislative Budget Committee in Baton

association, and a survey of the present home property picture. He strongly cautioned that a radical increase in home property taxation would inundate this progress. A copy of his statement as presented is attached hereto and made a part of these minutes.

Marvin Lyons, executive director of the Louisiana Municipal Association, distributed copies of his association's statement and its December, 1971, publication, which contained its requests to the legislature regarding ad valorem taxation.

Following the luncheon recess, a statement by Rep. Chris Ullo of Jefferson Parish was read by the secretary and is attached hereto and made a part of these minutes.

Edward P. LeBruyere, finance director of Jefferson Parish, wanted as much flexibility for local government finance as possible. Mr. LaBruyere recommended a tax base of 10 percent of actual cash value and supplied charts illustrating its effect on assessments. Copies of these charts are attached and made a part of these minutes.

Frank O. Pruitt, Jr., of the Louisiana Forestry Association, supported retaining inclusion of the present Article X, Section 1, which, he said, was hailed by most as a model of equitable taxation on forest lands. He reviewed the severance tax on timber, asking that the tax be retained in the constitution. However, Mr. Pruitt said, if all other tax measures are removed, the association would not oppose the passage of that document by attempting to have this provi-

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sion remain as the only tax measure left in the constitution. A copy of his statement is attached hereto and made a part of these minutes.

Ray Gipson, management extension forester of Boise Southern Company of DeRidder, supported the views expressed by Mr. Pruitt, and the continuance of the present timber taxing method. A copy of his statement as presented is attached hereto and made a part of these minutes.

W. D. Blake, general manager of the J. A. Bell Estate and the Quarter Parish Company, also supported the association's position on retention of the severance tax in the constitution. A copy of his remarks as presented is attached hereto and made a part of these minutes.

Louis C. Peters of Bennel and Peters, Inc., presented a statement prepared for Frank W. Bennett, a consulting forester, who could not be present. The statement, attached hereto and made a part of these minutes, also supported the retention of the timber severance tax in the constitution, should any taxes be included.

Jeanne Helwig, president of the League of Women Voters of Jefferson Parish, speaking in that capacity and as a homeowner in Jefferson Parish, urged the subcommittee to treat all property owners equitably in the constitution. A copy

of her statement as presented is attached hereto and made a part of these minutes.

Elizabeth Rack, president of the League of Women Voters of New Orleans, recommended that land be used not only as a

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source of revenue, but also as a tool for land use. She further asked for a uniform standard of property valuation, based on actual cash value, to be preserved in the constitution. A copy of Mrs. Rack's statement and the publication, "New Trends in State Finance", are included herein and made a part of these minutes.

Marvin Krantz, secretary of the Board of Assessors of New Orleans, advocated equalization for all parishes including Orleans and predicted that the Doherty decision would be moot by the end of the fiscal session. He said he was in favor of annual review of all assessments and valuations, not just "new" property.

Max DeRbes, Jr., representing the Real Estate Board of New Orleans, Inc., read the statement of position of that organization, as attached hereto and made a part of these minutes. The position principally advocates the constitutional inclusion of: a reasonable limit on the taxing authority of government, regardless of the actions of the taxing authorities; equitable taxing in each taxing district; ad valorem taxes restricted only to real property; and a dollar limitation of 1 1/2 percent of fair market value in any one year.

Donald L. White, director of the Apartment Association of New Orleans, asked that his statement be distributed to the membership and be recorded in the minutes. The statement is attached hereto and made a part of these minutes.

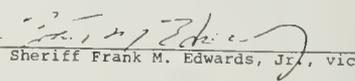
Walter J. Champagne, member of the committee, recom-

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ended in his statement an eight-point program for consideration by the subcommittee. A copy of his statement as presented is attached hereto and made a part of these minutes.

Following Mr. Champagne's presentation, the meeting was recessed until 9:00 a.m. Saturday.

  
Sen. B. B. Rayburn, Chairman

  
Sheriff Frank M. Edwards, Jr., vice-chairman

Charles E. Roemer, III, Secretary

#### NOTES

Charts by Mr. LeBruyere referred to in the Minutes are not found in the Committee files.

# Apartment Association of New Orleans

Courtland Plaza, Suite 201 • 3900 Veterans Boulevard  
Metairie, Louisiana 70002 • Phone 888-2492

April 13, 1973

CHAIRMAN OF THE BOARD  
ROBERT T. TONTI  
PRESIDENT  
V. G. BOB WARNER  
EXEC. VICE PRESIDENT  
VERNON BRATTEN, JR.  
VICE PRESIDENT  
WILLIAM POTTS  
SECRETARY  
HENRY SNAME  
TREASURER  
ERNEST NORMAN III

The basic position of the Apartment Association of New Orleans is in opposition to the 100% assessment. In other areas where it has been tried the results have been disastrous.

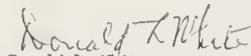
At the last session of the Louisiana State Legislature several bills were passed to "get the state out of the property tax business". This was done with the leadership of the Governor, therefore, both the legislative and administrative branches of the state government do not have need to set assessments in individual parishes. It is our feeling that each parish should have the right to determine the assessment that fits their individual needs. We feel this should be done by public referendum. Of course it must be done on an equitable basis.

Again, this goes back to removing the power from the state and putting it in the hands of the parish which is what we feel is the best policy.

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So that all of your work will not be in vain and that the people of the state will pass on a new constitution, we strongly urge that this matter and any others that might be highly controversial be put on an either/or basis. For instance, it would be unfortunate for the voters to reject your proposed constitution in its' entirety because of the question of property tax or the right to work law or the death penalty. The point is, people should be given an option on these types of questions.

We thank you for your consideration of our views.

  
Donald L. White

Director, Apartment Association  
of New Orleans

After many hours of discussion on ad valorem taxes within the State of Louisiana, I am absolutely convinced that there are wide variations in opinions on the issue. Whether you agree or not, I am convinced that the present constitution provides the threat of actual cash value or 100 per cent assessment, with no adequate provision for per cent of value. This is still in existence and can be remedied only by constitutional amendment, or rewriting and acceptance of a new constitution. For over fifty years, the only obstacle to 100 per cent, or actual value, has been the local assessor. My discussion with local assessors, I have been advised that their position is an all-powerful one in which they can lower or raise assessments (and by

so doing, tax dollars) as they desire. This, in theory, provides an opportunity for local assessing districts to gather wealth without asking for additional taxes, merely by the assessor raising assessments. On the other hand, by lowering the assessment, the assessor could break the local taxing unit by ceasing the collections of that unit to diminish. This is an extremely powerful position. He is, and should be, subject to the electorate. Should he also have some real control over the supervisory body.

To see that there are differences in assessment practices in the districts and between districts is, in

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an estimation, an absolute truth. I do not say they are intentional, but too much reliance has been placed on the individual submitting the information, such as with inventories. These are often submitted as low as 10 per cent of actual value, while others are submitted at full value. Very often, no attempts at verification are made. Why should the honest taxpayer be penalized?

Should a \$30,000 home be assessed at \$7,500 in Parish A, while the same home is assessed at \$2,500 in Parish B, and in Parish C at \$800? It has been asked of me--Why are we asked when we approach an assessor with inequities if we think our property is over-valued on the books, when in effect, we merely state that ours is over-valued in reference to another? I have also been asked--Have you ever been told by an assessor that in order to lower your assessment, all property will have to be reassessed?

Some among us advocate that the homeowner should be completely released from the burdens of property taxes. Among our taxpayers are people who really object to the court decision which allows non-property holders to vote on taxes on property. Would you compound this situation by allowing all people to avoid their responsibilities? I think not. A person has a right to pay a little for the services he and his neighbor receives, such as schools, fire protection, sewage, garbage collection, etc.

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I am constantly reminded by some of our delegates that it is not our responsibility to legislate. It has been suggested that we should simply state that the power of taxation is vested in the legislature, with the means to be established by them. I am told by others that, just as the legislature did not reapportion themselves, they will not solve the intricate problems of tax equalization.

They shall probably continue the process as it is, and with it, the inequities. The matter, they say, will most certainly be decided by some Federal Judge. Do you, and I, and all the many people who sent us here deserve this? Should we attempt something better? That shall be our decision! It has been pointed out in this convention that absolute justice is unattainable on this earth. I agree, but should we not make an attempt in that direction?

The effect of the recent decision is that the public has been made aware of what one of our own has described as a possible "open pocketbook practice." A new constitution which advocates the same would offer no incentive to the public for its adoption. I offer the following for your consideration:

1. Assessors continue to be elected and subservient to the electorate as they have been in the past. Provide for an expanded Tax Commission with meaning. Provide for the legislature means for compliance, such as withholding revenue funds for non-compliance.

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2. All property shall be entered on the books at base value. Base value would be 50 per cent of current actual cash market value. Legislature shall establish percentage of base value for all classes which shall be uniform within a five year period.

3. Homestead exemptions adjusted in proportion to adjustment of valuation of homes on state basis with double exemption for veterans.

4. Provide an increased Homestead Exemption to all home owners upon reaching the age 65.

5. All assessments be open to public inspection and public hearings held at least every two years within the taxing district.

6. Assessors or their representatives shall examine their records and properties at least every five years in order to appraise inequities and to revalue improvements.

7. All possible means taken to assure proper reporting, especially on movables such as inventories.

8. The correctness of base value may be tested before the governing body, thence before the Tax Commission, and thence before the courts by any aggrieved taxpayer.

I do not say that all of these provisions need to be in the constitution. What I do say is that the hard-working, diligent people of Louisiana deserve no less than assurance of their existence.

I tried to establish a possible correlation between total ten year industrial exemptions by parishes and total exemptions granted for Homestead Exemptions by parishes. This would possibly indicate a need to get more Homestead

Exemption money from state in order to overcome losses by granting of industrial exemptions. I found no such correlation.

I found the parish average claimed for exemptions was approximately twice or 200 per cent of the average parish contribution for the 5 3/4 mill assessment.

The following were the twelve leading parishes in ten-year manufacturing plant exemption contracts in force and approved as of December 31, 1971, as indicated in Column A. (Column B - percent granted of amount paid to state. Column C  $\checkmark$  or - 200 per cent average all parishes.)

	A	B	C
1	East Baton Rouge	71	-
2	Bossier	280	$\checkmark$
3	St. Charles	96	-
4	Iberville	110	-
5	Ascension	162	-
6	St. James	144	-
7	Jefferson	628	$\checkmark$
8	Orleans	131	-
9	Caddo	160	-
10	Jackson	200	average
11	St. John	290	$\checkmark$
12	W. Feliciana	26	-

In finding wide differences of opinion, I tried to find reasons. The average parish granted twice or 200 per cent as much exemptions as it paid to state with 5 3/4 mill tax. The following seven parishes led in per cent of exemptions granted related to amount paid to state.

	%	Amount
1	Livingston	644 \$ 778,000
2	Jefferson	628 11,540,000
3	Vernon	527 722,000
4	St. Bernard	500 2,028,000
5	Rapides	443 2,483,000
6	Tangipahoa	443 1,131,000
7	St. Tammany	400 1,500,000

The following seven parishes led in the least per cent of exemptions granted in relation to amount paid to state.

	%	Amount
1	Plaquemines	22 \$ 163,000
2	Cameron	30 62,000
3	St. Mary	70 550,000
4	East Baton Rouge	71 6,204,000
5	Acadia	90 372,000
6	Jefferson Davis	90 296,000
7	St. Charles	96 337,000

#### RESOLUTION

The Board of Directors of the Real Estate Board of New Orleans, Inc., in meeting assembled on April 10, 1973, after due discussion of the property

tax problems before the Constitutional Convention, did move the following, to wit:

1. The Real Estate Board believes that ad valorem taxes are potentially dangerous should they become too burdensome an expense of real property. The constitutional safeguards which we propose would place a reasonable upper limit on the taxing authority of government regardless of the actions of the taxing authorities. We believe that placing an arbitrary limit on assessments would not protect the owners of real property so long as there are not any limits on the millage and that limitation of millage would not be workable in light of the great variances existing, much of which is dedicated. We believe that expressing in the constitution a definite limit on the dollar amount of the total property tax as a percentage of the fair market value is the best way of limiting government from an unjust or confiscatory tax. We further believe that the citizens of this state are willing to pay a reasonable tax providing all property owners are treated fairly.

2. The Real Estate Board believes that any and all provisions of the new Constitution should be so constructed that all real property should be taxed equitably in each taxing jurisdiction. We believe that any system of taxing which does not give equal treatment to all will be subject to being changed by the courts in addition to being unfair. The Real Estate Board believes that the placing of arbitrary percentage of value by various classes of properties is potentially dangerous and subject to maladjustment of the tax base of individual jurisdictions. In some states, the law provides that farms be assessed at a certain percentage of the fair market value, homes at another, businesses at another, industries at another and so forth. The result of such systems is that those counties (parishes) which have mostly farms and homes are not able to collect sufficient taxes to operate and those with businesses and industries have an abundance of tax revenues; however, by treating business and industry at the higher ranges of property tax has a detrimental effect on business which can become self-defeating. We do believe that owner-occupied homes and farms do deserve protections which are discussed below. This type of differential is well founded in practice as encouragement of home and farm ownership and is a justifiable unequal treatment. We do not give any opinion on natural resource property taxation, such as timber lands, other than to take note that same should be considered in light of other taxes on same such as severance taxes.

3. The Real Estate Board believes that ad valorem taxes should be restricted to real property. Further, we believe that personal property taxes should be uniform throughout the state. The inventory tax in one parish, for instance, should be the same dollar amount as in the adjacent parishes to prevent undue business development advantages to particular parishes.

4. The Real Estate Board believes that the Constitution should contain provisions which place a limit on the total amount of real property taxes which can be assessed in any one year and that this limit shall be one and one-half percent of the fair market value of the real property at the time of assessment. We believe that such a limit on the amount of ad

valorum taxes which can be charged against real property will eliminate the possibility that property taxes can be confiscatory. We recognize that property taxes are placed against properties by various governing bodies (i.e. parish authorities, school boards, levee boards, etc.) and that the Constitution should tackle the problem of distribution of the tax among all the taxing agencies when the total levy exceeds this limit. We understand that the limit of one and one-half percent of the fair market value of the property at the time of assessment may not be the ideal percentage after the Convention considers all factors; however, we believe that the final limiting percentage should be realistic and indeed limiting. In arriving at the percentage, we considered that such a rate would mean that a property which has a value of \$20,000.00 could not be charged more property taxes in any one year than \$300.00, a figure which is not excessive in terms of property taxes throughout the United States. We believe that there should be a limit to protect the property owners and that such a limit in the Constitution which is related to a percentage of fair market value does not burden the taxing agencies with a fixed dollar amount, protects against the pegged amount which inflation makes unduly low, and does not tie into either the millage or assessment rate. We believe that the placing of a constitutional limit on the dollar amount of the tax provides the property owner with remedies of court. We believe that such a limit merely sets the upper limit of the amount of tax which can be assessed and that the taxing agencies may set levies under this percentage.

5. The Real Estate Board believes that the Constitution should contain provisions which place a limit on the total amount of real property taxes which can be assessed against an owner-occupied farm which is not incorporated, against a single family dwelling which is owner-occupied which

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is not owned by a corporation, and against that part of a multi-family residential property which is owner-occupied which property is not owned by a corporation and that this limit should be under the percentage of one and one-half percentage which is the limit placed on all real properties. We recommend that the limit on the amount of property taxes on such properties shall be one percent of the fair market value at the time of assessment. We believe that placing a limit on the amount of property taxes on such owner-occupied dwellings or parts of dwellings would encourage home ownership and give added protection against any form of property taxes being confiscatory. The limitation of total property taxes which can be assessed against any such owner-occupied property (or portion which is owner-occupied) would be equivalent to a total tax of \$200 per year on a home or farm with a fair market value of \$20,000.00 and \$400 per year on one with a fair market value of \$40,000.00.

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THE LEAGUE OF WOMEN VOTERS OF NEW ORLEANS  
1526 TOLEDANO STREET, SUITE 301  
NEW ORLEANS, LOUISIANA 70115 895-2062

APRIL 13, 1973

STATEMENT BEFORE THE REVENUE, FINANCE & TAXATION COMMITTEE OF CC '73

I am Elizabeth Rack, President of the League of Women Voters of New Orleans. Thank you for the privilege of appearing before you today. I would like to compliment you on the effort you are making to inform yourselves on state revenues, and to allow the public to speak.

I am here today to speak briefly on the property tax.

Members of the League of Women Voters of New Orleans and Louisiana support the principle of taxing land and improvements separately, believing that land should not be the only basis for property taxation. The concept of a relationship between taxation and more optimum land use could become vital in the future. In New Orleans this has been implemented to a degree in the Central Business District, but could be done throughout the city and state. Your committee has the unique opportunity of airing the possibilities for the property tax to be not only a source of revenue but also a tool for land use.

The difficulties, objections and fears raised about the property tax are primarily the result of administrative policies or lack of them. Assessors and their designated heirs serve unusually long terms of office, claiming that they are reelected because they keep property taxes low. We believe the cause and effect will be reflected in the actions of any elected officials responsible for community services. The assessors' administration of the property tax, which has up to now been contrary to the laws of this state, will of necessity be changed under the guidance of the federal court which has ruled that taxpayers shall be treated equally under the equal protection laws. We, the League of Women Voters of New Orleans, were amicus to this suit. We would like to take this opportunity to reassure all property taxpayers that after equity comes control and/or limitations of the tax burden. Exemptions as well as taxes should be fair and equal. A sudden increase in property taxes can be prevented by millage roll back or a uniform assessment ratio. Each community, starting on an equal basis, can then determine the need and willingness to pay for services in the community through the property tax. Also, state taxes returned to local governing bodies on the basis of local property tax effort will be in proportion to, not inverse proportion to, local support. e.g. school equalization formula.

We know through our own membership discussions, whether in Jefferson Parish, Shreveport, New Orleans or Lafayette that once the property tax is understood, taxpayers want equity and are willing to pay their fair share - no more, no less.

We ask again, as our representative in Baton Rouge did, for a uniform standard of property valuation, based on actual cash value, to be preserved in the constitution.

Thank you for your attention.

LEAGUE OF WOMEN VOTERS of JEFFERSON PARISH - P O Box 718 Metairie, La 70002

Statement to the Committee of Revenue, Finance and Taxation of the Constitutional Convention. April 13, 1973

I am Joanne Helwig, President of the League of Women Voters of Jefferson Parish, and also, a resident and property owner in Jefferson.

The League of Women Voters of Jefferson Parish has long been concerned about the administration of our property taxes and has appeared before the Jefferson Parish Council sitting as the Board of Review for years, urging them to take the lead in correcting inequities with a uniform rate of assessment established equitably on all property.

It has been said that equalization of property taxes will result in undue tax burdens on property owners. However, in Jefferson, in order to allay the fears of people, the Jefferson Parish Council has stated that they would roll back the millage should the base for tax collection be broadened, so that the total amount of dollars to be collected on existing taxes would neither increase nor decrease.

We realize the difficult job this committee has and we commend you for hearing from the public on this really misunderstood issue. However, we urge you to establish in the constitution a fair and equitable taxing system for this state.

Thank you.

~~cut out~~ out phase but we did not "get out" forestry or Louisiana. To the contrary, we feel that forestry offers a great opportunity for healthy growth of our area and State.

I wish to thank you gentlemen for the opportunity of appearing before you and to commend you on the great public service that you are rendering to the people of Louisiana in undertaking to review and revise the Constitution.

As a long time member and supporter of the Louisiana Forestry Association, we endorse their position of retention of Section 1 of Article 10 of the Constitution known as the Timber Severance Taxation Law; retaining it within the Constitution if any other form of tax legislation is also left in the Constitution. Conversely, if all forms of taxation are removed, we must agree that we cannot expect that this important amendment be left in, but do feel that the timber severance tax law is of such paramount importance to the forest industry and the State of Louisiana's economic growth that it's value should be fully understood by this committee.

The remainder of my remarks will be directed to why we feel the retention of this law is so vital to the future of the timber industry in Louisiana.

Our foreman rolled back very close into his money to roll the ball, cut over, burned the land which prevailed through most of Louisiana in the 30's and 40's and some in fact still exist today in Allen, Beauregard and Calcasieu Parishes. Most of these lands,

are

are rapidly being converted to producing a healthy growing crop of young pine trees to provide timber for our people. One of the prime reasons for this green revolution is the timber severance tax amendment to the Constitution which was approved by the people of Louisiana in 1954. What this law does is to guarantee the individual tree farmer that he can have adequate time to raise his crop of trees through the 20 year period necessary to start giving him a return on his investment before he must pay a tax on his timber. He, of course, must pay his ad valorem taxes on his lands during this period.

You all realize that even though trees are a crop, they are unlike cotton or soybeans which bring a cash return on harvest each year. A tree farmer must look considerably further in the future for the return on his investment. We must first plant our crop at a cost of \$25 to \$30 per acre. Then we must nurse it through 5 to 10 very critical years during which it is subject to the hazards of fire, drought, and insects and during that time we must continue to pay an additional cost of \$3 per acre per year to protect the timber and pay ad valorem taxes. If we have borrowed money to plant the crop, the interest rates for that are an additional \$3 per acre per year. While our investment in timber is growing in value at a rate of \$5 to \$10 per acre per year, it is not until the 15th or 20th year that a tree farmer will realize any cash return on his long range investment. This 15th to 20th year being usually the first thinning prior to actual harvest which occurs in the 25th to 30th year in the production of southern yellow pine timber.

You can, therefore, grasp why we feel it is only just that the payment of taxes on the timber be delayed until there is some money, coming in from their sale which can be used to pay the taxes.

Growing trees provide housing, paper products, jobs, recreation, and a pleasant environment and without a tax system which will encourage their planting rather than penalize the tree farmer, we will fall far short of the needed trees to provide for our future requirements. Our company is presently engaged in planting up the last of the land, burned out lands in Allen and Beauregard Parishes and each year before we make

the decision to plant, we carefully compare the difference in initial out-of-pocket expenses for planting trees versus clearing the land for farming, soybeans or other uses. At the present time it is a toss up as to which of these courses of action is the best, but to date we have continued to plant trees because we feel the future of our town is more firmly rooted in the timber industry as a long range source of economic enhancement, however, a reversal of the present timber tax law would quickly tilt the scales to the bean farming or other uses which would give us a quicker return on our investment to provide the necessary money to meet current expenses and taxes.

In summary, it is obvious that the retention of the timber severance tax law is the king pin of the timber industry in Louisiana, as it exists today. Any interruption of this law would have a catastrophic effect on the future production of this valuable, renewable, natural resource. Therefore, I urge that you gentlemen retain Section 1 of

Article 10 of the Constitution if any other form of taxation is left within the Constitution.

Thank you very much for your time.

STATEMENT OF  
LOUISIANA FORESTRY ASSOCIATION  
PRESENTED BY  
*Frank O. Pruitt, Jr.*  
TO  
TAXATION, FINANCING AND REVENUE COMMITTEE  
OF CONSTITUTIONAL CONVENTION '73  
April 13, 1973 - New Orleans, La.

Ladies and Gentlemen, this statement is being presented on behalf of the 2200 members of The Louisiana Forestry Association. This 26-year old organization has as its primary purpose, promotion of the orderly growth and development of the state's 15 million acres of forest land. One Section of the state's Constitution is vital to that growth and development: Article X, Section 1. In the brief period of time being made available to us this afternoon, we'd like to limit our remarks to that section of the constitution.

A recent study by the Louisiana Extension Service revealed that forests provided greater economic impact for Louisiana than all other agricultural crops combined -- yes, more than all other agricultural crops combined. As a matter of fact, forestry is Louisiana's largest industrial employer, providing jobs for more than 42,000 workers. Payrolls total more than \$240 million and tree farmers are paid over \$60 million for their trees each year.

Slightly more than 30 years ago, many felt that Louisiana's trees were gone forever. But they had not yet learned that trees are a renewable resource -- as a matter of fact, trees are Louisiana's ONLY renewable Natural Resource. Properly protected, Louisiana's forests need never again fear extinction.

This was a primary purpose of the major portion of Article X, Section 1, of Louisiana's Constitution, which was approved by the voters of this state on November 2, 1954, by a margin of three to one. The portion of this section called the Forest Taxation Law is hailed by most as a model of equitable taxation on forest lands. The portion of this section to which we refer, begins with Paragraph 5, titled "Severance Tax On Timber" and runs through the remaining portion of the Section.

It provides that all forestland in the state be classified for taxation purposes according to four major types: Tidewater Cypress, hardwood, longleaf pine, and other pine. The purpose of this classification is to assure equitable assessments on all forestlands bearing the same type of timber within a parish.

Under this provision, timber is recognized as a growing crop. It does not eliminate the ad valorem tax on timber lands; nor does it freeze the level of ad valorem tax levied against these lands. It does provide, however, for the postponement of tax on the timber itself until such time as the timber is cut. At that time, a severance tax is paid on the timber harvested.

Timber severance taxes are provided on a percentage basis to allow for the rise and fall of timber prices through the years. This tax is levied at the rate of 2 1/2% on all forms of timber except pulpwood and at 5% on pulpwood. The tax is then computed on the basis of the current average stumpage market value of all forms of timber as determined annually by the Louisiana Forestry Commission and the Louisiana Tax Commission.

In the four state area of Louisiana, Arkansas, Mississippi and Texas, only Texas levies an ad valorem tax against their growing trees. That practice threatens the future health of the forest industry in the longhorn state. As a matter of fact, many landowners are selling their forest acreage to persons planning to use it for purposes other than growing trees, and many are converting their land holdings to uses other than forestry, because they can no longer economically afford to grow trees.

A forest landowner must wait twenty years to realize any return from his investment, and for many, the major return will not be realized for 50 or more years. During the first 15-20 years, when this young crop of trees is extremely vulnerable to fire, insects, disease, hurricanes, ice storms and other acts of nature, its value to the owner is virtually nothing, because it is not merchantable. If it manages to survive and maintains a healthy growth, it could be increasing in value at a rate of \$5 to \$7 per acre, per year. During its later life, when it has reached sawtimber size, its value increases a little faster, at perhaps \$14 to \$18 per acre per year. Because of the high risk, long term investment, and low return experienced by forest land owners, Louisiana's constitution allows for the payment of ad valorem tax on the land each year during the growth period of timber, and allows for the payment of tax on the timber at the time of harvest, when the owner has realized a return from his investment.

This is a good and equitable law. It provides fair treatment to all of the state's 120,000 forest land owners. It provides financial aid to our parishes, since 75% of the severance tax is returned to the parish from which it was collected. (Many Police Juries have adopted resolutions directed to the Constitutional Convention urging retention of this provision.) Furthermore, this provision is praised by a great number of the assessors around the state, especially those who've been in office long enough to remember how it was before passage of this provision in 1954.

The Louisiana Forestry Association has officially taken the position that the portion of Section 1, Article X, dealing with Severance Tax on Timber should be retained in the Constitution -- if any other tax law is allowed to remain there. However, if all other tax measures are removed, we would not stand in the way of progress by attempting to have this provision retained as the ONLY tax measure left in the Constitution.

We would urge that you make the distinction between Reforestation Contracts and provided for in Paragraph 3, of Article X, Section 1, and the Severance Tax provisions beginning in Paragraph 5, of that section. No reforestation contracts have been executed during the last 22 years and no more are expected. This provision of the Constitution is no longer used and so long as the state honors existing agreements, this provision could be eliminated from the Constitution.

Thank you for the privilege of presenting this statement.

LOUISIANA MUNICIPAL ASSOCIATION  
Suite 301 Jack Tar Capitol House Hotel • Phone 343-9511 • Baton Rouge, La. 70821

MARVIN L. LYONS  
EXECUTIVE DIRECTOR



Statement of

Mr. Marvin L. Lyons  
Executive Director

on behalf of the

LOUISIANA MUNICIPAL ASSOCIATION

on

Constitutional Revision and Municipal Taxation

for the

Committee on Revenue and Taxation  
Louisiana Constitutional Convention, 1973

April 13, 1973



PUBLISHER OF THE LOUISIANA MUNICIPAL REVIEW

Mr. Chairman and Members of this Distinguished Committee,

I am Marvin L. Lyons, Executive Director of the Louisiana Municipal Association.

I appreciate this opportunity to appear before you this morning to discuss the role of this Committee and its relationship to the municipal governments of our state. Before going into that, however, let me briefly identify for you the organization I represent.

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

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

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

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

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

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

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

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

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

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

There have been occasions where the Legislature has, from time to time, added to the financial problems of the municipalities by imposing financial obli-

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

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3. The time limitation on special municipal operating millages should be eliminated or at least extended to coincide with the life span of the project or the service for which it was levied.

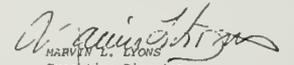
Under Article X, Section 10-A, municipal governments are given the power to levy special millages for operating purposes, over and above their regular millage, provided that the rate, the purpose and the duration of the tax be first submitted to a vote of the people. The duration of these millages is limited, by law however, to 10 years. At the end of that time, they either have to be dropped, or re-submitted to the people.

The fact that these taxes have to be renewed every 10 years poses serious problems.

For instance, a municipality might seek to levy one of these millages to maintain and operate a new water system or a sewer system, which might have an estimated life of 25 years. At the end of the first 10 years, if the people decide not to renew the maintenance tax, I think you can see the problems which could develop.

Understand I am not recommending that the right of the people to vote on these millages be eliminated. All I am suggesting is that the time limitation be eliminated, so that a municipality could provide in the election call that the tax would be for an indefinite period, or to cover the life of a project or for whatever stated period they felt appropriate.

Respectfully submitted,

  
HARVEY L. EBOIS  
Executive Director  
Louisiana Municipal Association

[Statement of Ed Steimel.]

I don't suppose there is any subject that I have studied more in my life time than the property tax. And today I find it far more difficult to offer a solution that I did 15 years ago. I am, however, a little more sure today that I know some of the things we ought not to do.

Why all this complexity about a tax that on the surface appears to be simple: you have a piece of property, you place a value on it, you levy some mills on that value and you collect the tax. If that were all there were to it, it would be simple. But how do you arrive at value? Which property do you tax? Which property do you not tax? Which property cannot be found? Which property does society want to give special treatment? The questions are endless and the laws--both constitutional and statute--reflect the whims, the changes of mind and the different philosophies of people of all lands in the world throughout 25 centuries. And what we have today, that we refer to as the ad valorem tax, is a different animal

from jurisdiction to jurisdiction, from state to state, from nation to nation. Every problem we face today has been faced by ~~the~~<sup>our</sup> nation § centuries ago. Some of them have learned something from having faced them and have discarded some of the more obnoxious aspects of the property tax. We in Louisiana could learn from history too, but we seem determined to head pell-mell to repeat all the mistakes of history by listening to self-serving politicians who play up to our greed primarily, who indicate they have no concern whatsoever for the future development of the state and who, if they are left to guide the system, will continue to keep the state in turmoil for some time to come. They, of course, will not prevail though they may last a few years or even five or ten at the most. But someday, if through no other means, the 14th amendment to the United States Constitution will settle it all, for that amendment isn't even subject to repeal by certain of our loudest politicians.

Thus I suggest that it would be well in setting forth the fundamental provisions in our constitution that guide us with respect to property taxation, that this committee take a look at the trail the property tax has left since history began keeping a record on it in Greece in 485 B. C. There is much to be learned from that history.

It would be well secondly for this committee to acquaint itself with the current trends--not only in this nation but in other nations--with respect to property taxation, so that whatever you decide does not impede our getting in step with that trend if we conclude that it is good for this state. Some of those trends appear to me to be the kinds of things that can make or break this state economically over the next

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generation or two if we do not take them into consideration. I suggest that we look at what it is that makes up the property tax base in Louisiana and the trends of that base in this state over the past generation, and compare our base and trend with those of the other states with which we hope to compete for the next couple of generations during which I hope the constitution you write will survive. We are decidedly out of step, in what constitutes our property tax base, with that of most industrial states, and we are getting further out of step each year. At this point it is not a major economic deterrent because of the relatively low use being made of the property tax in Louisiana. It, however, will become a decided economic deterrent ~~to the state~~ if we continue the present trend in our state, for we will be establishing a widening gap between the economic potential for outside investment capital in Louisiana as compared to other states.

I do not ask this convention to correct this trend in rewriting the constitution. I only ask you not to impede its correction. You do not have the time nor can you gain the consensus for making this change.

I have some personal acquaintance with the kind of time it takes to achieve property tax reform. I have been working at it deliberately

for 15 years. The failures have been many during that time--the achievements have been few. But the achievements are now beginning to come and they will continue and I am one who would prefer to lose for 15 years and win the 16th rather than win the first 15 and lose the 16th. But property tax reform cannot be achieved this year. In fact it should not be achieved this year because no governmental reform

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is really worthy of being called reform unless the people participate or at least acquiesce in it. There is no way the people can become sufficiently knowledgeable and informed of the property tax issue to participate or acquiesce in any kind of reform in that short period of time. I am firmly convinced that property tax reform in this state will be achieved through court order--perhaps as a result of the Bussie decision. Once that is achieved and made operative the most of the people of this state, I am convinced, will acclaim it as something that they approve. It is, however, an exceedingly complex issue and it is not going to be understood so long as many high placed political leaders continue to appeal to the basest of all human <sup>instincts</sup> ~~instincts~~--greed. For nothing anyone else says seems to be sufficient when certain men will yell "they're going to raise your taxes."

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As you may recall I served on the governor's special committee to develop a plan for property tax equalization, from 1964 to 1966, during which time a governor reached the conclusion that he wanted to lead this state to a system of property tax equalization. I think we could have done it, for he was a most popular governor at the time. But a few major taxpayers and a whole lot of assessors convinced him it would wreck him politically. As you know he dropped the hot potato and us with it. That plan is still available. It is still a good plan, but I have no brief for it because other plans can also be devised. It really makes little difference anyway in view of the Bussie decision, for if that decision

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is upheld by the court we will have property tax equalization in Louisiana. The principal thing I would urge this committee to do is to be thoroughly familiar with the Bussie decision in all its aspects and to do nothing to impede its implementation--provided it is upheld on appeal.

A few moments ago I mentioned that you do not have the time to reform the property tax. I think the same suggestion applies to tax reform in general. The convention does not have time to achieve tax reform. It does not have time to achieve reform of the executive branch. It does not have time, in short, to achieve governmental reform. You do have the time to achieve constitution<sup>a1</sup> reform. The measure of your success in achieving

constitutional reform will be whether you facilitated tax reform, reorganizational reform and governmental reform in general, or whether you impeded it.

The Jones Administration of 1940 is looked upon as one of the most outstanding periods of political reform. An unusually great number of very significant reforms were achieved during that 4-year administration. But they were not really political reforms that had the support or acquiescence of the people. In time almost all those reforms were swept by subsequent administration because the people had not in fact been major participants in the decision-making process. That I believe is an absolute essential in a representative democracy. Without it political reform is not in fact achieved. The participation of the people quite obviously cannot be provided in any short period of time. That is why it takes years, many times, to achieve a change in government that all of the researchers agree should be implemented now. If that change is really to have stability and if we really do believe in representative democracy, then we know our job is to involve the people--all the way along the line--in the development of the political change. That's

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simply not possible during the short time you have before you, so I plead with you not to allow yourselves to become involved in deciding all of the intricate questions of governmental reform, for in so doing you will not even have the time to do the research necessary and you cannot possibly involve the people. The results of such efforts will be an almost certain death to whatever is written as the constitutional document.

What should be in the constitution on the property tax. As you, I am sure know, the model state constitution of the National Municipal League makes no mention of a property tax or any other kind of tax. It doesn't even authorize the legislature to levy any tax and certainly, therefore, doesn't <sup>authorize</sup> the legislature to exempt anyone from a tax. It does not provide for <sup>re</sup>forestation, for industrial tax exemption, for income tax rates, vehicle license rates, it does not set up a maze of dedications of these taxes to go into one fund, spill over into a second and then spill over into a third and finally to trickle down to the general fund so as to produce an absolutely incomprehensible taxing system such as we have in Louisiana. It recommends nothing on the subject. It assumes that the inherent powers of the legislature are such that they can do anything they are not prohibited from doing by the United States Constitution and the state constitution and, therefore, full authority to tax is automatically in the legislature, full authority to exempt anyone from taxation is also inherent with the legislature. I do not know whether any states have actually adopted the model, but at least it does give us a reference point as to what has to be in a constitution on the property tax. The answer is that nothing has to be in the constitution on the property tax.

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The question then is how much should be in the constitution. Fifty men will answer it in fifty different ways.

You will have to decide first what ought to be in a constitution, then what the people will allow you to take out of it. I don't have the answer; I only hope that by December 31 you will have the perception to make that decision.

As a minimum I would think you would want to keep the "uniformity" clause for all taxes in Article X, section 1. It's not absolutely necessary, but like the Bill of Rights it seems to be one of the things we ought to do -- even though the people have protection in both counts in the U. S. Constitution.

Next, if we are to assume you will not go all the way to a bare bones constitution, what are some of the things you might put in the constitution?

Many states establish a standard of value, as we did until 1972 in the constitution, at actual cash value, true value, or full value. You could do that, or leave it out and keep it in the statutes as at present. Actually, whether it's in the constitution, in the statutes, or nowhere, it may make little difference in the long run; for any court in deciding the issue would have to find a standard to conform to the uniformity clause in the Louisiana Constitution and the equal protection and due process clauses of the U. S. Constitution, and that standard for an ad valorem tax would be none other than value. So unless you prefer to have the courts do our legislating for us, I suggest that you consider establishing the standard of value.

Next, should the Tax Commission be created in the constitution or not? Constitutional purity would say NO. In fact it may not need to exist as a separate agency. Some states have it as a part of the Revenue Department but with appeal and supervisor powers. On the other hand, do you want to indicate to the world that you sanction the illegal practices we have experienced in Louisiana for generations, or do you want to join in the spirit of the decision of the Eubank case and say it's time for the law to be carried out. The Tax Commission has not, in my memory, functioned as it should, for it has not had the support of the Governor for any sustained period. But it has now been provided with the backbone it needs, for it can now be held in contempt of court if it continues to ignore its duty. I ask you only to look ahead 5 years from now and ask yourself, "Will I then be proud of the decision I'm making now on the property tax?" I think you know by then we will have property tax equalization, no matter what. The tin gods will be no more. Whether you will be with them then may well be determined by whether you are with them now.

Almost all states give their Tax Commissions or some state agency the power to assess and equalize property taxes, as does Louisiana. I trust you will not take it away.

Now let's look at the special provisions in the constitution for forest land taxation and the much discussed industrial tax exemption. But let's not stop there. Let's also look at the Veterans exemption, the homestead exemption, at the exemptions for churches and schools and fairs. Then let's look further at just about everything we as individuals own: at the automobiles, household furniture, at the cows, the hogs, the chickens, and even the ducks, geese and guineas, all the crops of our farms, even our boats -- gasoline, but not diesel -- at just about everything the average guy could own. We're exempted it all.

What are you going to do about them? I suggest you take them all and treat them alike -- whether it is. Constitutional purity would

COMPARATIVE FIGURES

TIMBER TAXES IN THE SOUTH

FOR 1973

State	Ad Valorem	Fire Protection	Severance
ALABAMA	\$ .20	None	\$ .30 pine saw timber \$ .10 pulp-wood
ARKANSAS	\$ .50	\$ .03	\$ .50 per thousand pine saw timber \$ .25 cord of pulp wood
LOUISIANA	\$ .45 *Was \$ .65 ten years ago	\$ .02	* \$1.57 1/2 pine saw logs \$ .25 pine pulpwood
MISSISSIPPI	\$ .52	\$ .02	\$ .40 pine saw timber \$ .12 cord pine pulpwood
OKLAHOMA	\$ .50	None	None

suggest all of them be removed from the constitution. I see no reason why that should not be done, but I do not mean by that to suggest they be eliminated. Instead, they should be moved directly into the statutes. I do not believe you should change these exemptions one iota, for that deals with tax reform. However placing these exemptions on the statute books would facilitate reform in the decades ahead. My guess is that you will find it more than a trifle difficult even to accomplish this feat, and I, for one, will not judge you too harshly if you do not succeed in that.

Most of the rest of the provisions of the constitution relating to the property tax are not vital. There's no reason for the 7 assessors of Orleans, for example, to be anchored in the constitution — except that perhaps they want to avoid becoming one assessor some day.

We face no crisis in the property tax because of the Bussie decision, for even if implemented tomorrow it need not change the total taxes paid in any jurisdiction. The law provides all the flexibility needed to keep taxes at the present level even if assessments are increased to 100% of value. Anyone who can read can find this in the law; I'm sure you won't be misled. Some school boards and police juries have already adopted resolutions saying they will do this to counteract some of the scare talk of a few of our more vocal "statesmen" who have been guiding Louisiana's property tax "industry." If we're not careful during the two years between now and the implementation of the Bussie decision, we're going to witness many of our local governments lose the renewal of tax millage elections for schools, fire and police protection, sewers, or whatever. I urge you to talk to our local governing bodies if you question what I say.

You have had appear before you many persons who know much about the property tax. But no one has appeared before you who is more knowledgeable than Rep. Frank Simoncaux. No member of the Louisiana House of Representatives knows more about it than he. And I challenge anyone to show that his motives are anything other than the best interests of Louisiana and its people. I commend to you his testimony for rereading.

Tomorrow another very learned attorney and U. S. District Judge, <sup>in Rwbw</sup> with credentials aplenty in the property tax field, will appear. You will meet few men in your lifetime who can equal this man in brilliance, legal talent, knowledge of the law, or pure beauty of character. On whatever subject he chooses to discuss, he is worth listening to. Especially so when he speaks on the property tax, for he is a student of it and a good one. Listen to him— whether or not you listen to me.

The day has come — finally — in Louisiana when the law governing the property tax is about to be enforced...when assessors can go back to the only job the law has assigned them: assessing... when police juries and school boards can regain their long lost powers of legislating and having some semblance of control over their budgets. It has been much too long in coming, but no one, no group, can any longer stop it. I trust many of you welcome that.

But more important for you in your mission to rewrite the constitution, you don't have to dissipate your energies trying to resolve an issue that could tear asunder your efforts to produce a new constitution.

You had our best wishes. More than that you are my understanding.

STATEMENT BEFORE THE  
TAXATION, REVENUE AND FINANCE COMMITTEE  
LOUISIANA CONSTITUTIONAL CONVENTION OF 1973  
NEW ORLEANS, LOUISIANA  
APRIL 13, 1973

BY RAY GIPSON, MANAGEMENT EXTENSION FORESTER

BOISE SOUTHERN COMPANY  
DERIDDER, LOUISIANA

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM RAY GIPSON, MGMT. EXT. FORESTER OF THE BOISE SOUTHERN COMPANY, A FOREST LAND AND FOREST PRODUCTS FIRM IN WEST LOUISIANA.

I APPRECIATE THIS OPPORTUNITY TO EXPRESS TO YOU THE CRUCIAL IMPORTANCE TO MY COMPANY OF THE CONTINUED CONSTITUTIONAL PROTECTION OF LOUISIANA'S ENLIGHTENED FOREST TAXATION SYSTEM.

OF PERHAPS MORE CONCERN TO THIS PUBLIC BODY THAN MY COMPANY'S WELL BEING, WOULD BE THE EFFECT OF ANY ATTACK ON OUR SUSTAINED YIELD FORESTRY PRACTICES, AS IT WOULD BE FELT BY THE HUNDREDS OF LOUISIANAIANS ON OUR DIRECT PAYROLL, THE THOUSANDS MORE WHO ARE INVOLVED IN THE PLANTING, PROTECTING, HARVESTING, AND TRANSPORTING OF THE RAW MATERIALS WE USE, THE MANY SMALL LANDOWNERS FROM WHO WE PURCHASE TIMBER, AND THE MERCHANTS IN SEVERAL WEST LOUISIANA COMMUNITIES WHOSE BASIC TRADE COMES FROM THESE PEOPLE.

ON BEHALF OF ALL OF THESE PEOPLE OUR MESSAGE IS SIMPLE. WE ARE DEPENDENT UPON THE SUSTAINED YIELD PRACTICE OF FORESTRY IN OUR AREA, WHICH IS MADE POSSIBLE BY THE CONCEPT OF TAXING FOREST LAND AT ITS CURRENT FAIR AD VALOREM VALUE, AND TAXING TIMBER AT ITS CURRENT MARKET VALUE WHEN IT IS SEVERED. THIS SYSTEM ALLOWS US TO BE THE KIND OF RESPONSIBLE LOCAL CITIZEN THAT WE WANT TO BE, BY PAYING OUR FAIR SHARE OF THE COSTS OF LOCAL SERVICES WE TOO NEED AND ENJOY. AT THE SAME TIME THE SYSTEM MAKES ECONOMICALLY FEASIBLE OUR HEAVY INITIAL EXPENSE

IN PREPARING FOR AND PLANTING A FOREST STAND, AND THEN THE MANY YEARS WHEN IT HAS NO COMMERCIAL VALUE AND IS EXTREMELY VULNERABLE TO DAMAGE AND LOSS BY FIRES, INSECTS, DISEASE, WIND, AND ICE.

THIS EQUITABLE SYSTEM OF TAXATION, AND ESPECIALLY ITS PROTECTION IN THE CONSTITUTION, WAS A MAJOR CONSIDERATION ON THE PART OF MY COMPANY IN INVESTING MANY MILLIONS OF DOLLARS IN FOREST LANDS AND PLANT CONSTRUCTION IN WESTERN LOUISIANA A FEW YEARS AGO. IT SHOULD BE NOTED THAT BOTH OUR DERIDDER PAPER MILL AND DEQUINCY UTILIZATION CENTER ARE ONLY A SHORT DISTANCE FROM THE SABINE RIVER, AND THAT A SIGNIFICANT PORTION OF OUR ORIGINAL LAND PURCHASES WERE IN TEXAS. DUE AGAIN IN NO SMALL WAY TO THE LESS ENLIGHTENED FOREST LAND TAXING POLICIES OF THAT STATE, OUR OWNERSHIP INTEREST IN TEXAS HAS BEEN DECREASED DRASTICALLY.

IT SEEMS VERY FITTING TO US THAT YOUR COMMITTEE OF THE CONSTITUTIONAL CONVENTION, WITH YOUR RESPONSIBILITY TO SHAPE THE FUTURE OF OUR STATE THROUGH THE COMING DECADES, SHOULD TAKE THIS TIME TO CONSIDER THE SUBJECT OF FORESTRY. OUR INDUSTRY IS OF NECESSITY FORWARD-LOOKING, WITH THE DECISIONS AND ACTIONS OF TODAY DETERMINING THE AMOUNT AND KIND OF TIMBER SUPPLY AVAILABLE FOR THE PEOPLES' USE IN THE NEXT 10, 20, AND 30 YEARS. THE TREE WE PLANT WILL PROBABLY BE HARVESTED BY SOMEONE COMING AFTER US. PERHAPS NO OTHER INDUSTRY HAS AS MUCH AT STAKE IN THE FUTURE OF LOUISIANA, AND CONVERSELY, AS THE ONLY RENEWABLE RESOURCE, OUR STATE WILL HAVE A GROWING DEPENDENCE ON OUR INDUSTRY. THE CURVE OF SEVERANCE TAX COLLECTIONS FROM PETROLEUM AND OTHER EXHAUSTABLE RESOURCES MUST INEVITABLY POINT DOWNWARD, WHILE THE CURVE FOR FOREST PRODUCTS HAS BEEN GENERALLY RISING SINCE THE CONSTITUTION WAS AMENDED IN 1954, ADDING THE STABILIZING PHILOSOPHY EXPRESSED IN ARTICLE 10, SECTION 1.

WE URGENTLY REQUEST THE CONTINUANCE OF THIS PROVEN SUCCESSFUL APPROACH,  
THANK YOU.

FRANK W. BENNETT, ACF  
Consulting Forester

April 13, 1973

Our next speaker was born in Louisiana, the son of a lumberman. He found himself in the lumber business at the age of 19. He had purchased a substantial tract of timber and a portable sawmill before he was old enough to vote.

Bennett graduated from LSU in Forestry in 1928.

After working as Assistant State Forester of Louisiana for nearly two years, Bennett attended the Yale School of Forestry from which he received his Masters Degree in Forestry in 1931.

Mr. Bennett worked in every southern state while with the U.S. Forest Service. His work with this agency covered a period of more than ten years and included positions in both the Administrative and Research branches of the Service.

He volunteered and served as Captain in World War II. At the end of the war he again went into the lumber business and was President of Eureka Lumber Company, Inc. He and his brother also operated a retail lumber business at Baton

Rouge. This business was sold to his brother and Frank Bennett then entered his present occupation as Consulting Forester in 1950. He was one of the first consulting foresters in Louisiana.

His work includes all phases of forestry. His firm of Bennett & Peters, Inc manages 256 thousand acres of timberland in Louisiana for clients.

Frank Bennett is a registered Forester, a director of the Louisiana Forestry Association, the Forest Farmers Association and Association of Consulting Foresters. He is past president of two of these Associations. Frank is a Rotarian and is an Elder in the First Presbyterian Church of Baton Rouge.

A Statement by Frank W. Bennett, Consulting Forester to the Committee on Committees, State Constitutional Convention to be delivered at 1:30 P.M. at the Chamber of Commerce office in New Orleans on Friday, April 13, 1973

Tucked away in small isolated tracts of land in the rural areas of Louisiana are many Tree Farmers. For the most part these are small landowners holding 80 acres of forestland or less. Collectively, they own most of the forestland owned by individuals in the state. According to the Louisiana Forestry Commission Bulletin No. 5, published in 1969, there are 121,248 forestland owners (excluding all public lands) holding a total of 14,600,883 acres. Landowners with 5,000 acres or more, including the forest industry lands, total 174 owners holding 6,149,260 acres.

Without the smaller private landowner, Louisiana could not support the hundreds of millions of dollars in forest industry which we have today. These small landowners could not practice good forestry without a fair and equitable tax law. This is what we have in Louisiana and it has proved successful over a period of nearly twenty years. To take away this highly equitable law these small landowners simply would not be able to make the capital investments necessary to grow timber over a long period of years, and face the risks of forest fires, insects, disease and hurricanes; our forest industries and their payrolls would suffer accordingly.

In 1954 the State General Assembly passed by a two-thirds majority in each House a revision to Section 1, Article 10 of the Constitution of Louisiana to provide for the taxation of forestland and timber growing thereon. This Constitutional Amendment was ratified by the public on November 2, 1954 by a vote of 127,483 FOR and 47,583 AGAINST the amendment. The amendment took effect on January, 1955.

This amendment has been referred to as the Louisiana Forest Taxation Law. It is sometimes called the Timber Tax Law. In either event, this constitutional amendment, in my opinion, has done more to encourage the growing of timber in Louisiana than any other single happening. It has encouraged industrial landowners holding larger acreages of land to do the same. The small owners are the people that we work with mostly and the ones which I know cannot continue to practice good forestry without the Louisiana Forest Taxation Law or something similar.

To protect large payrolls as well as the small timberland owner, it is my request that this amendment to the constitution be retained in the constitution if other acts of this nature are included. If they are not included in the constitution, then some protection should be given the Forest Taxation Law to insure that it would not be a political football to be changed and amended with each session of the legislature. Timber growing is a long-term venture

and certain safeguards have to be set up to protect the owner who has invested his money with the hope of receiving a return in 10, 20 or 50 years in the future.

Let's look at what happened before the Louisiana Forest Tax Law was enacted. Landowners were planting trees at a rapid rate following World War II. In the early 1950's, some of these tree farmers found that their tax assessment had been raised 183% in five years. They were faced with the probability of not planting any more trees and perhaps destroying the ones which had been planted because, at age five, they had no market value. Following the constitutional amendment the landowners were quite pleased to plant trees in large numbers. In the area of DeRidder, Louisiana more than half a million acres were planted and these young trees, along with some older timber, were responsible

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for one of our largest wood-using industries in the state to move in during the 1960's. I speak of Boise Southern which has invested more than a hundred million dollars in capital outlay to manufacture lumber, plywood and pulp and paper. Without the pine trees, the industry could not have come to Southwest Louisiana.

Another benefit shows up in local tax returns. The constitutional amendment requires that the severance tax imposed must be collected by the State of Louisiana and seventy five (75%) percent returned to the parishes from which the timber was grown. In 1971 (the latest figures available) at least a dozen parishes were receiving as their share of the timber tax more than \$47,000.00 each. Four parishes received over \$70,000.00 and one parish, Winn, received over \$109,000.00. These are all rural parishes with limited assets to tax. Just ask any of these assessors or police jury members if they are happy with the present forest tax law and I think they will answer in the affirmative.

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[Statement of Edmond G. Miranne.]

Ladies and Gentlemen:

I address you this morning in somewhat of a dual capacity. First, as President of Security Homestead Association, the 3rd largest homestead association in Louisiana; but secondly, and of more importance, as head of a people, service oriented lending institution.

It is the latter capacity that we can establish some good, sound dialogue. It is in that area that we have a common denominator, for your bosses are the same as Security's people.

To this end, some background might be helpful.

LADIES AND GENTLEMEN:

TODAY I WOULD LIKE TO ADDRESS YOU PURELY IN MY CAPACITY AS PRESIDENT OF THE SECURITY HOMESTEAD ASSOCIATION, THE THIRD LARGEST SAVINGS AND LOAN ASSOCIATION IN THE STATE OF LOUISIANA. I DO SO WITH NO DESIRE TO USURP ANY OF THE PREROGATIVES OF THIS ASSEMBLY, YOUR JOB IS TUGH ENOUGH AND WE ADMIRE AND RESPECT YOU FOR IT. I ONLY TRUST THAT YOU MIGHT FIND SOME OF MY REMARKS HELPFUL IN YOUR DELIBERATIONS.

NATURALLY, THE MOTIVATION OF MY ASSOCIATION IS TO ENCOURAGE HOME LOANS AND

HOME DEVELOPMENT TO THE GREATEST DEGREE POSSIBLE, CONSONANT WITH STATE AND FEDERAL REGULATION. IT HAS BEEN OUR EXPERIENCE THAT, OF THE LOANS MADE BY US, THE FOLLOWING BREAK-DOWN APPLIES:

	% OF THE TOTAL	\$ LOAN VALUE
RESIDENTIAL LOANS (INCLUDING UNIMPROVED REAL ESTATE FOR FUTURE INDIVIDUAL CONSTRUCTION)	60%	60%
MULTIPLE DWELLING LOANS (I.E. DUPLEXES, FOUR-FLEXES, ETC.)	24%	30%
COMMERCIAL (I.E. LOANS ON COMMERCIAL STRUCTURES)	2%	4%
MOBILE HOME AND INSTALLMENT LOANS	14%	6%

IT CAN BE READILY SEEN THAT THE PERCENTAGE VOLUME OF OUR LOANS FAVORS SINGLE RESIDENCE, OWNER OCCUPIED DWELLINGS. FURTHER EXCEPT FOR THE LAST CATEGORY OF MOBILE HOME AND INSTALLMENT LOANS, ALL LOANS ARE SECURED BY REAL PROPERTY. THE VAST MAJORITY OF OUR DEPOSITORS, OF COURSE, ARE INDIVIDUALS.

OUR RESIDENTIAL LOANS ARE OF THE USUAL AND NORMAL TYPE -- EITHER INDIVIDUALS PURCHASING FROM OTHER INDIVIDUALS (OR BUILDERS) BY MEANS OF A SALE TO, AND RESALE FROM, OUR ASSOCIATION; OR INDIVIDUALS BUILDING THEIR OWN HOMES THROUGH CONTRACTORS ON PLANS AND SPECIFICATIONS, BY MEANS OF BUILDING CONTRACTS OR ESCROW ARRANGEMENTS. OF INCREASING IMPORTANCE IN OUR BUSINESS IS PARTICIPATION WITH OTHER HOMESTEAD ASSOCIATIONS IN FINANCING THE DEVELOPMENT OF CONTRACTOR SPECULATIVE DWELLING SUBDIVISION UNITS OR OF MULTIPLE RENTAL UNITS.

WE HAVE FOUND, AS THE NORM, AND DEEM IT BEST TO FOLLOW CERTAIN TESTED FORMULAE.

A PROSPECTIVE BORROWER MAKES APPLICATION FOR A LOAN: HIS OR HER CREDIT RATING IS OBTAINED AND A C.A.B. ORDERED. TO THOSE WHO MAY NOT KNOW, THE HOMESTEADS IN THE METROPOLITAN NEW ORLEANS AREA GENERALLY USE THE SERVICES OF THE CENTRAL APPRAISAL BUREAU IN DETERMINING THE VALUE, FOR LOAN PURPOSES, OF THE REAL ESTATE AND IMPROVEMENTS INTENDED TO BE USED AS SECURITY FOR THE LOAN. CERTAIN FACTORS ARE INVOLVED IN THAT DETERMINATION -- THE LOCATION, THE SIZE OF THE LOT AND/OR DWELLING,

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THE CONDITION THEREOF, THE AVAILABILITY OF SEWERAGE AND UTILITIES, NEARNESS TO SCHOOLS, COMMERCIAL AREAS, ETC. WE HAVE NO CONNECTION WITH THE CAB SAVE AND EXCEPT TO OBTAIN THE VALUATION, THROUGH THEIR EXPERTISE, FOR A FEE PAID BY US. WE EXERT NO INFLUENCE OVER THE CAB AND CERTAINLY WANT TO EXERT NO INFLUENCE OVER IT. IT BEHOOVES US, AS LENDERS, TO HAVE AN ARMED LENGTH APPRAISAL AS TO CURRENT MARKET VALUE SO AS TO AVOID "CHANCY" LOANS, OR ANY TYPE LOAN WHICH MIGHT IMPAIR THE INTEGRITY OF OUR INSTITUTION OR ITS DEPOSITORS.

UNTIL A VERY FEW YEARS AGO, THE MAXIMUM LOAN WHICH MY ASSOCIATION MADE WAS 80% OF CAB FOR IMPROVED PROPERTIES AND 70% OF CAB FOR UNIMPROVED PROPERTIES. THE TREND OF MORE RECENT VINTAGE HAS BEEN TO UP THAT PERCENTAGE AND IT IS FORESEEABLE IN THE IMMEDIATE FUTURE THAT IN CERTAIN SELECT PROPERTIES AND WITH INSURED TOP PERCENTAGE THAT LOANS MAY APPROACH 95% OF CAB.

MY ASSOCIATION DOES NOT STAND ALONE IN THIS APPROACH TO MORTGAGE LENDING. AGAIN, IT HAS BEEN OUR EXPERIENCE - AND THAT OF OTHER HOMESTEADS - THAT LOAN FORECLOSURES ARE SO INFINITESIMALLY SMALLY, THE ECONOMY SUFFICIENTLY STABLE, THE PRIDE IN HOME OWNERSHIP IN THIS AREA BEING OF SUCH A HIGH DEGREE, AND WITH DEPOSITORS SO FULLY PROTECTED, THAT A RECESSION WOULD HAVE TO BE CATASTROPHIC TO ADVERSELY AFFECT ANYONE'S INTERESTS -- OUR'S OR THE MORTGAGOR'S.

INDEPENDENT STUDIES OF THE GROWTH IN THE METROPOLITAN NEW ORLEANS AREA JUSTIFY CONFIDENCE IN THE FUTURE. AN ANALYSIS OF THESE STUDIES REVEALS THE FOLLOWING.

- WE ARE MAKING VERY FEW LOANS OF LESS THAN \$10,000.00, UNLESS FOR REPAIRS TO EXISTING DWELLINGS BY OWNERS OR FOR VACANT PROPERTY TO BECOME TOMORROW'S HOME SITE.
- THAT MORE AND MORE MIDDLE CLASS, WHITE COLLAR WORKERS ARE PURCHASING RESIDENCES BETWEEN THE \$25,000.00 TO \$40,000.00 PRICE LEVELS.
- THAT MOBILE HOME TRAILER SALES ARE ZOOMING, BOTH AS PRIMARY HOMES FOR

YOUNG FAMILIES OR FOR TRANSIENTS, OR, AND SURPRISINGLY, AS WEEK-END, SECOND HOMES, AND THIS IS A NEW SPECTRUM OF FINANCING FOR US, AND THE GROWTH POTENTIAL IS VIGOROUS AND VIRTUALLY UNTAPPED AS YET.

0. ACCORDING TO THE INITIAL SMOKEIN REPORT PREPARED FOR THE REGIONAL PLANNING COMMISSION, PARISHES OF JEFFERSON, ORLEANS, ST. BERNARD AND ST. TAMMANY, RENTAL UNITS HAVE NOT CAUGHT UP WITH THE DEMAND, NOR IS IT LIKELY TO WITHIN THE NEXT FEW YEARS, PARTICULARLY WITHIN MEDIAN RENT LEVELS.

SO THAT WHAT I AM TRYING TO PUT ACROSS IS THIS -- OUR AREA IS WITHIN GROWTH PATTERNS ALMOST WITHOUT PARALLEL. IN THIS, WE STAND APART FROM MANY URBAN AREAS. WHAT LIES BEFORE ALL OF US IS NOT A VOID, BUT A VIABLE, HEALTHY HOME OWNER-

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FUTURE WITH ALLIED CONSTRUCTION IMPLEMENTATION. IT ADDS UP TO DOLLARS IN INVESTMENT, PROVIDING PALATABLE LIVING STANDARDS -- AND WITH THE ATTENDANT INDUSTRY AND ECONOMY SPURRED ON BY THE ZEAL OF AMERICANS TO BETTER THEMSELVES. IN ITS OWN RIGHT, IT IS THE PERFECT CIRCLE, NOT THE ZERO VARIETY OF CIRCLE, BUT THE COMPLETE USE OF HUMAN BEINGS WORKING HARD TO ENJOY THEIR LIVES, TO ACHIEVE GOALS, AND, IN TURN, STIMULATING THE DOLLAR UNTIL IT REACHES EVERY POCKETBOOK. IT IS DEMOCRATIC ENTERPRISE IN ITS FINEST HOUR. WE ARE FORTUNATE THAT WE NEED NO TELESCOPE TO SEE IT -- IT IS HERE, NOW, AND OUR BRIGHT TOMORROWS ARE READILY EXPOSED TO THE NAKED EYES OF THOSE WHO ARE WILLING TO SEE.

IT HAS BEEN DETERMINED BY ECONOMISTS THAT 20% OF A PERSON'S INCOME IS THE MAXIMUM AFFORDABLE FOR HOUSING. EVEN WITH THE ENCRAGEMENT OF INFLATION IN THE VARIOUS CATEGORIES OF LIFE ON THAT PERCENTAGE, WE HAVE NOT, AS YET, FELT ANY REVERSAL IN THE DESIRE FOR HOME OWNERSHIP. SUCH MAY NOT ALWAYS BE THE CASE. FURTHER EROSION OF THE HOME DOLLAR MIGHT WELL BE THE STRAW THAT BREAKS THE CAMEL'S BACK.

LET ME ADDRESS MYSELF TO YOU ON THAT -- TO EXPRESS THE CONCERN NOT ONLY OF HOME OWNERS, BUT OF ITS MANY, MANY BORROWERS. THIS IS A VERY REAL CONCERN, AND I PERSONALLY, HAVE BEEN FREQUENTLY ASKED ABOUT IT. I, IN TURN, WELCOME THIS OPPORTUNITY, ON THEIR BEHALF, TO ASK OF YOU THE AGE OLD QUESTION -- QVO VADIS? -- WHERE IS YOUR GOING TO TAKE US?

AS A GENERALITY, PEOPLE ARE COMFORTABLE WITH WHAT THEY KNOW. EVEN IF THEY DON'T LIKE SOMETHING, OR IF THEY DON'T UNDERSTAND SOMETHING, THEY ATTUNE THEMSELVES TO IT, AND THEY CONFORM TO IT AND THEY LEARN TO LIVE WITH IT.

THIS THEY HAVE DONE WITH THE REAL ESTATE ASSESSMENT AND TAX SITUATION IN MANY AREAS. I REPEAT, IT IS NOT MY PURPOSE TO SPEAK PRO OR CON, ANY DEPARTURES FROM THE CURRENT ASSESSMENT SYSTEM TO WHICH HOME OWNERS ARE ACCUSTOMED. HOWEVER, AS A SPOKESMAN FOR THEIR FEARS AND APPREHENSIONS, YOU SHOULD BE AWARE OF WHY THEY ARE AFRAID.

IN A NUTSHELL IT'S THIS -- ANY ACTION OF THIS ASSEMBLY, OR OF ANY OTHER -- WHICH RESULTS IN A RADICAL CHANGE IN REAL ESTATE TAXES PAID WILL RESULT IN A DEVASTATING BLOW BEING DEALT TO HOME OWNERSHIP AND THE CONSTRUCTION INDUSTRY. THIS CHANGE WILL NOT BE OF A SUBSTANTIAL NATURE; IF IT ADDS AS LITTLE AS \$5.00 A MONTH TO THE COST OF HOME OWNERSHIP, THE RESULT WILL BE EITHER A SETTLING FOR LESS IN THE HOME MARKET OR OF NOT BUYING AT ALL. IT MAY MEAN MORE RENTAL UNITS, BUT THESE, TO BE OF REDUCED QUALITY TO CONFORM TO INCOME.

IF A FORMULA FOR ASSESSMENT IS USED BASED ON PURCHASE PRICE, THEN THE FORMULA MUST BE CAREFULLY EXAMINED AND PARED AWAY. I HAVE IN MY HAND THE USUAL FORMULA IN THE PARISH OF JEFFERSON, LET ME QUICKLY READ ACROSS THE MILLAGE RATES FOR SCHOOL, PARISH, LIBRARY MAINTENANCE, HEALTH UNIT, JUVENILE DETENTION HOME, POLICE OFFICE, PUBLIC IMPROVEMENT, SERIES A, B & C, - KEEP READING, THERE ARE 19

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IN THE CITY OF WESTWINGO, FOR EXAMPLE, READ THAT BILL - I AM SURE THAT MOST OF THE MILLAGE IS DEDICATED TO SOME BOND ISSUE OR CAPITAL IMPROVEMENT PROJECT, AND THAT THE BOND HOLDERS OR THOSE TO WHOM PUBLIC AGENCY DEBT IS OWED WOULD UNDOUBTEDLY

RAISE A HUE AND CRY IF THEIR PROTECTION IS REDUCED OR DENIED. ALTERNATIVES WOULD BE THE PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR MUNICIPALITY, OR THE PAYMENT FROM GENERAL REVENUES WITH ALL OF THE PITFALLS THAT GO WITH THAT.

PEOPLE EXPECT PUBLIC SERVICES -- GARBAGE COLLECTIONS, SEWERAGE AND THE LIKE. AND THESE THEY ARE WILLING TO PAY FOR, AND DO PAY FOR.

REAL ESTATE TAXES ARE A DIFFERENT BREED. IT IS NOT THE NORM TO WHICH THEY ARE ACCUSTOMED. CONCEDEDLY, REVENUES PRODUCED THEREFROM ARE UNDOUBTEDLY NOT UNIFORM AND THE PUBLIC FISC MIGHT WELL AND RIGHTFULLY BE ENHANCED BY A DIFFERENT APPROACH. BUT FOR THE APPROACH TO BE MEANINGFUL TO THE PUBLIC FISC, THE REAL ESTATE TAXES MUST GENERATE MORE REVENUE, WHICH, IN TURN, AND INEVITABLY, MEANS HIGHER COSTS OF HOME OWNERSHIP.

IN THE ULTIMATE, YOU MUST DECIDE WHO IS TO PAY THE PIPER. I ONLY WANT TO LEAVE WITH YOU THIS THOUGHT IN THE TRUTH CONTAINED IN THE CLICHE -- A MAN'S HOME IS HIS CASTLE. GUT HIM WITH REAL ESTATE TAXES THAT PREVENT THAT ACHIEVEMENT, AND YOU DENUDE A MAN OF PURPOSE. DR. MARTIN LUTHER KING DECLARED -- "I HAVE A DREAM" - WE ALL DO. IN SIMPLISTICS, IT IS THE DIGNITY OF MAN. HOW BETTER CAN IT BE EXPRESSED THAN IN THE ROOTS OF HOME OWNERSHIP AND FAMILY LIFE?

YOU HAVE TO EQUATE WHAT IN SOME SMALL WAY MY EXPERIENCE OVER THE YEARS MEANS AS DISTINGUISHED FROM THE OBTAINING OF PUBLIC REVENUES. YOU HAVE TO MAKE THE DETERMINATION BOTH AS TO THE NOW AND AS TO THE FUTURE. YOU HAVE TO HAVE THE CLAIRVOYANCE TO APPRECIATE WHAT THE LEGISLATURE AND PUBLIC OFFICIALS CAN OR MIGHT DO OVER ENSUING YEARS TO IMPOSE ADDITIONAL TAXES THROUGH MILLAGES OR OTHER MEANS. YOU ALONE MUST MAKE THE ONLY REAL ASSESSMENT WHETHER OR NOT WHAT YOU DO WILL DETER PEOPLE FROM OWNING THEIR OWN HOMES -- THAT'S WHAT IT IS ALL ABOUT, AND IN THE VERNACULAR, THAT'S WHERE THE ACTION'S AT!

I AM CONFIDENT THAT YOU WILL DO YOUR BEST AND THAT YOU WILL DO WHAT'S RIGHT. I THANK YOU FOR YOUR KIND ATTENTION AND WISH YOU WELL IN YOUR DELIBERATIONS.

[Statement of J. Chris Ulc]

GENTLEMEN, I KNOW WHAT A BUSY SCHEDULE YOU HAVE SO I'LL BE BRIEF AND COME RIGHT TO THE POINT.

EQUALIZATION OF ASSESSMENTS, WHICH MEANS NOTHING MORE NOR LESS THAN 100 PER CENT ASSESSMENT, WILL RESULT IN THE IMPOSITION OF A TAX BURDEN THAT WILL PROVE RUINOUS FOR THOUSANDS UPON THOUSANDS OF HOMEOWNERS AND SMALL BUSINESSMEN IN LOUISIANA.

HISTORY SPEAKS FOR ITSELF. IN EVERY STATE WHERE EQUALIZATION HAS BEEN INVOKED BY COURT ORDER, A TAXPAYER REVOLT HAS FOLLOWED.

LET ME GIVE YOU A FEW FACTS TO SUPPORT THIS STATEMENT.

IN 1964 EQUALIZATION WAS FORCED ON THE PROPERTY OWNERS IN DUVAL COUNTY, FLORIDA.

HOMEOWNERS AND BUSINESSMEN WERE TOLD THAT AS THEIR ASSESSMENTS WENT UP THE MILLAGE IN THEIR COUNTY WOULD IMMEDIATELY COME DOWN. THATS WHAT THEY WERE TOLD...AND THATS THE SAME STORY THE PEOPLE OF LOUISIANA ARE GETTING TODAY FROM THE PROPONENTS OF EQUALIZATION.

BUT LISTEN TO WHAT REALLY HAPPENED IN DUVAL COUNTY...MILLAGE DID NOT COME DOWN IMMEDIATELY AS PROMISED AND IN ONE YEAR TAXES SKYROCKETED FROM \$29-MILLION TO \$50-MILLION...WITH THE RESULT THAT IN 1966 THERE WERE 25,000 DELINQUENT TAXPAYERS IN DUVAL COUNTY...MANY OF WHOM JUST ABANDONED THEIR HOMES AND MOVED AWAY BECAUSE THEY COULDN'T PAY THEIR TAXES...CONSIDER FOR A MOMENT THAT WE HAVE 800,000 HOMEOWNERS IN LOUISIANA...HOW MANY OF THEM WOULD BE ABLE TO PAY THEIR TAXES UNDER 100 PER CENT ASSESSMENT...HOW MANY OF THEM WOULD BE FORCED TO GIVE UP THEIR HOMES...?

LET ME GIVE YOU ANOTHER EXAMPLE...WHEN EQUALIZATION, OR 100 PER CENT ASSESSMENT WAS FORCED IN NEW JERSEY THERE WAS SUCH AN OUTCRY BY THE PROPERTY OWNERS THAT ARTHUR GOLOBERG, THE DISTINGUISHED FORMER SUPREME COURT JUSTICE AND AMBASSADOR TO THE UNITED NATIONS, WAS RETAINED BY THE TAXPAYERS TO GO BEFORE THE LEGISLATURE TO SEEK RELIEF.

THE STORY IS THE SAME IN EVERY COMMUNITY WHICH HAS FACED THE BURDEN OF  
EQUALIZATION...TAXES HAVE DOUBLED, TRIPLED AND IN SOME CASES ACTUALLY CLIMBED TO  
TIMES THEIR ORIGINAL LEVEL.

IS THIS IS WHAT GROUPS LIKE PAR, THE LEAGUE OF WOMEN VOTERS, THE OUT OF  
THE OWNED DAILY NEWSPAPERS AND TELEVISION STATIONS ARE TRYING TO  
STAINA.

LET ME RAISE THIS POINT FOR YOUR CONSIDERATION...HOW MUCH DOES A MAN ACTUALLY  
IN HIS HOME?

WHEN THOSE WHO CALL FOR 100 PER CENT ASSESSMENT SEEK TO PUT MY HOME, AND  
E ON THE TAX ROLLS AT ACTUAL CASH VALUE...DO THEY MEAN PUTTING A \$50,000  
WE ARE BUYING...AND PERHAPS ONLY HAVE A \$5,000 EQUITY IN...ON THE ROLLS  
THE PURCHASE PRICE OF \$50,000 OR AT THE LEVEL OF EQUITY WE HAVE IN THE HOME...  
0,000?

SHOULD A MAN BE TAXED THE ULTIMATE WORTH OF HIS HOME, OR THE ACTUAL AMOUNT  
OWNS IN IT...AND LETS FACE IT GENTLEMEN, FOR MOST OF US THE STORY IS THAT  
HOHSTEAD OWNS OUR HOME...NOT US.

ANOTHER POINT I'D LIKE YOU TO CONSIDER IS THE FACT THAT IN JEFFERSON OUR  
MILLAGE RATE GOES AS HIGH AS 130 MILLS PER THOUSAND, WHILE IN NEW ORLEANS  
MILLAGE RATE IS 40 AND THE RATE VARIES ACROSS THE STATE IN ALL 64  
ISHES...WHEN THE EQUALIZERS TALK OF EQUALIZATION DO THEY MEAN EQUALIZATION  
MILLAGES ALSO?

THEY'RE QUICK TO SAY THEY WANT 100 PER CENT ASSESSMENT...BUT HOW CAN 100  
CENT ASSESSMENT BE FAIR AND EQUAL IF NY 100 PER CENT ASSESSMENT IS LEVIED  
AGAINST 130 MILLS AND YOUR 100 PER CENT ASSESSMENT IS LEVIED AGAINST 40 MILLS?  
GENTLEMEN...THERE'S NOTHING EQUAL IN THAT...NOTHING AT ALL.

I PROMISED TO BE BRIEF AND I WILL...LET ME CLOSE BY LEAVING YOU WITH THIS  
THOUGHT...THOSE WHO CALL FOR EQUALIZATION SAY IF ASSESSMENTS GO UP...MILLAGE  
COME DOWN...TAXES WILL NOT RISE.

IF THAT IS THE CASE...IT THEY ARE TELLING THE TRUTH...TAXES WILL  
NOT RISE...THEN PLEASE ASK YOURSELF THIS QUESTION...WHY EQUALIZE AT ALL?

WHY SUBJECT LOUISIANA TO THE TURMOIL WHICH HAS BESET OTHER STATES UNDER  
SO CALLED EQUALIZATION?

WHY CHANGE A SYSTEM THAT HAS WORKED IN THIS STATE FOR DECADES?

IT MAY NOT BE THE MOST PERFECT SYSTEM... BUT IT IS A SYSTEM THAT MEETS WITH  
THE APPROVAL OF THE MAJORITY OF THE PEOPLE...AND IN THIS COUNTRY, GENTLEMEN,  
MAJORITY STILL RULES.

#### MINUTES

Minutes of the meeting of the Committee on  
Revenue, Finance and Taxation of the Consti-  
tutional Convention of 1973.

Held pursuant to notice given by Chairman

B. B. Rayburn on April 5, 1973

State Capitol, Baton Rouge, Louisiana

Saturday, April 14, 1973, 9:00 A.M.

Presiding: B. B. Rayburn, Chairman of the Committee on  
Revenue, Finance and Taxation

Present: James H. Brown, Jr.  
Walter J. Champagne, Jr.  
Lawrence Chehardy  
Frank M. Edwards, Jr.  
John Clyde Fontenot  
J. A. McDaniel  
Claude Mauberret, Jr.  
Pegram Mire  
Autley B. Newton  
Samuel B. Nunez, Jr.  
Arthur J. Planchard  
B. B. Rayburn  
Charles E. Roemer, III  
Earl J. Schmitt, Jr.  
Charles Slay  
Jaaper K. Smith  
Risley C. Triche

Absent: John A. Alario, Jr.  
Charles A. Badeaux  
David Conroy  
J. D. DeBlieux  
Herman Lowe  
F. D. Winchester

The Committee on Revenue, Finance and Taxation met  
in a one day session at 9:00 A.M., Saturday, April 14, 1973.  
The meeting was called to order by Sen. B. B. Rayburn.  
According to previous plans, the two subcommittees of the  
whole committee were to meet separately, but after discussion  
among some of the members of the committee, it was decided  
that the two subcommittees would meet together. With no  
objection to this decision, the meeting proceeded.

The Secretary called the roll and a quorum was present.  
The purpose of the meeting was to hear several guest speakers,  
four of whom were bond attorneys.

The first to appear before the committee was Mr. John  
Cox, bond attorney. Mr. Cox expressed his appreciation for  
being given the opportunity to appear before the committee.  
He said that many people like the idea of revising the consti-  
tution, as long as it retains everything that concerns them.  
He does not subscribe to this idea. He said that in order for  
government to function properly, trust and responsibility  
must be placed upon the representatives of the people. Mr.  
Cox strongly opposes the freezing in of board members. If  
the integrity of the membership of a board is to be preserved,  
we must consider what happens when any public official is  
beyond the reach of public opinion.

In short, Mr. Cox said that there must be trust in  
the legislature and there must not be restrictions in the  
constitution.

With these remarks, Mr. Cox proceeded with his  
presentation concerning bonds. He said that a municipal  
bond is very simple. The interest rate depends on the  
financial reputation of the borrower and the security placed  
behind it. When a bond dealer buys a bond issue, he buys a

credit risk. There is no legal risk in the sale of a tax  
exempt bond. If the legal authority behind the bond is  
inadequate, then this constitutes a legal risk. In order to  
avoid this legal risk, the constitution must contain very  
concise, but clear authority.

Mr. Cox said that Louisiana has many inadequacies. One  
is the rating service having control over the interest rate  
of a bond. Another inadequacy is physical reporting of the  
data that can furnish information of all debts in the state.

Mr. Cox closed by saying that the best thing that  
could be done is for more communities to help themselves.  
Louisiana political subdivisions have the financial integrity  
to handle their affairs if the constitutional authority would  
enable them to do so.

Mr. Harry Simmons, director of finance of the City  
of New Orleans, was next to appear before the committee.  
Mr. Simmons presented the committee with several consider-  
ations, one of which was the provision for maximum local

control or home rule. Another was reservation of constrictions which are regional in impact to the state. He suggested that the more flexible the proposals, the more responsive the local government will be to the people. Mr. Simmons also suggested that provisions which call for services to be provided predicated on state statutes should be viewed with very careful scrutiny. Mr. Simmons said that it is essential that New Orleans, as a local unit of government, be given statutory authority to impose and regulate local taxes in the interest of the people and to meet the current revenue requirements and

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future financial planning. A copy of Mr. Simmons' presentation is attached hereto and made a part of these minutes.

The next speaker was Mr. Harry Kelleher, attorney for the New Orleans Board of Liquidation. Mr. Kelleher gave a brief history of the Board of Liquidation. Mr. Kelleher recommended the following matters of reason:

1. Retention of the Board of Liquidation for New Orleans in the Constitution
2. Syndicate members of the board should not be permitted to fulfill terms created by deaths or resignations.

Mr. Ken Best of the JKB Company of Baton Rouge was next to appear before the committee. Mr. Best appeared, speaking for small and independent businessmen and addressed his remark to the collection of local sales taxes. He outlined the procedure for collection of sales tax in several parishes and demonstrated the burden of the reporting procedure. Mr. Best gave his recommendations as to the method of correcting this problem. He said that local taxes due on purchases resulting from interparish transactions should be remitted to the local taxing authority by the firm making the purchase.

Mr. Harold Judell, bond attorney of New Orleans appeared at the request of the committee. He said the new constitution should authorize issuance at full faith and credit on general obligation bonds and should provide for issuance of refunding bonds. It is not legally necessary or desirable to establish a detailed provision on issuance of bonds, as long as general

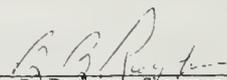
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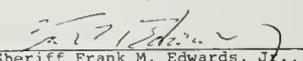
obligation bonds are established as having first call on general funds.

Mr. Allan Arnold was next to appear before the committee. Mr. Arnold is the manager of the Bond Department of Howard, Weil, Labouisse and Friederichs, Inc. He traced the history of bonds in the state and gave specific data determining the sale of bonds. He said that he agrees with Harold Judell on the idea that it is not legally necessary for any issuance of bonds to be in the constitution as long as a source is provided for payment.

With the completion of Mr. Arnold's presentation, the committee decided to meet again on April 27, 1973 and April 28, 1973. The two subcommittees are to meet in the morning of April 27, 1973 and the committee of the whole is to meet in the afternoon. The committee of the whole will continue to meet through April 28, 1973.

There being no further business to come before the committee, the meeting adjourned at 1:35 p.m., Saturday, April 14, 1973.

  
B. B. Rayburn, Chairman

  
Sheriff Frank M. Edwards, Jr.,  
Vice-Chairman

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Draft of Statement Proposed to be presented to the  
Sub-Committee on Finance, Revenue and Taxation  
of the CC 73

Prepared by H. Simmons, Director  
Department of Finance

Gentlemen:

First let me say thank you for providing the forum to the City to address you.

I have a brief prepared statement to make, which will I hope, convey the general aspects of your areas of interest as affects the City of New Orleans.

I feel that, from our point of view, the acts of the legislature and the Constitution itself cannot be considered separately. That is to say, the legislature derives its power from provisions of the Constitution. These provisions provide the legal status and therefore, the ultimate forcibility of the many acts passed by the legislature.

While we recognize the need and requirements for many restrictive provision of the current statutes, there is, of course, recognition of those provisions which are in the interest of the constituency of the City of New Orleans. The constitutional provision which establishes and controls the Board of Liquidation of Public Debt, establishes the limits of the Bonded indebtedness can be viewed as positive areas in the minds of some.

I, of course, am not here to point out specific areas for conjecture, rather, to present to you for consideration the overall needs and concerns which affect the independence of local government in the management and control of our revenue sources.

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The Mayor addressed the committee on Local and Parochial Government of the constitutional convention, and chose as his theme Flexibility; Flexibility - which is interpreted as maximum Home Rule. The ability of the City of New Orleans in the area of Taxation is severely limited by current provisions in the constitutions. The ability to raise revenues through licenses and permits are severely constrictive.

This, as you well know, is due to the requirement that local ordinances conform to the state statute relative to local law. Specifically, this means that the local law has to be consistent with the authority granted by State Statute. Generally, Local governments can legislate Lessor rates or grant additional exemptions but, we cannot exceed the statutory authority of the State as defined in the revised acts of the Louisiana Statutes. An example of the constrictive nature of the existing statutes is reflected in the case of Sales and Use taxes. Any time the state law is amended or additional exemptions allowed, the local taxing jurisdictions are mandated to do likewise. I consider this type provision a tremendous burden. While we recognize that existing statutes are rired with exceptions for the parish of Orleans and the City of New Orleans, we do not want to be treated any differently than any other parish or municipality in the State. You will have a tremendous impact on the draft of the constitution as affects Finance, revenue and taxation. I wish that you consider the provision for maximum local control or Home Rule in your deliberations.

The people of New Orleans adopted a charter in 1954. This charter, while very effective in controlling the administrations of city finances, has very severe constraints imposed on it by the current constitution. While the Charter was intended to provide a vehicle for the people of New Orleans to control their own affairs, it is at most, in the areas

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of Finance and Taxation surface in nature. The responsiveness of the City to respond to the financial needs of its people cannot be viewed in any other way but as obscure. When state laws became obsolete or in need of revisions to meet the demands of the changing times, such as in the case of occupational license laws, no remedy on a local level can be effected without the state Legislature amending the State Act. On the state level, prohibitions may be imposed on a particular act by another act without any reference to the act affected. To make the point, the Alcohole Beverage Act prohibits any other license on beverages of high content. There is no exemption granted on receipts from this commodity in the occupational license statute, but however, the occupational license basis is affected by an unrelated act. Additionally, a similar situation was created by Act 454, which makes no mention of occupational licenses, but has considerably effected it. The City of New Orleans, and I suspect other municipalities, have many problems in this regard, each of which are peculiar to that municipality. Flexibility again is what is required in the draft. For without it, how can we be expected to be financially responsive to the needs of our people. Authority for levying our sales tax originally was under provision of the constitution which was the basis of the Home Rule Charter. But, however, our authority to levy an additional 1% sales tax in 1967, emanates from a stautory provision. Serious questions are raised in regard to whether or not we are limited by the state statute, which requires that our sales tax law cannot exceed the state, or on original home rule authority, which does not have such a provision. I merely use these brief examples of the constrictions imposed on us and I would suggest, in very similar ways, other municipalities are affected. You may, in your

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input to the draft, want to reserve some constrictions, which are regional in impact to the state. I suggest to you that the more flexible your

proposals are, the more responsive the local government will be to their people. Clearly the number of exceptions will not be required for Orleans and other parishes if the provisions in terms of constraints is broad enough in latitude to afford maximum Home Rule and management of revenue sources.

I would offer another point for your consideration, provisions which call for services to be provided predicated on state statutes should be viewed with very careful scrutiny. An example in point are those acts which increase the cost of government locally and are not supported by the state. These acts are as constrictive as the constraints imposed on local governments taxation perogatives. Imposition of policy by statute without the appropriation of state funds to finance a given service has traditionally been a beast of burden for the City of New Orleans. Increases in salary scales for police and firemen, financing the Orleans parish sheriffs offices, while vital and essential, with no provision for satisfying the financial requirements necessary to support these increases are just a few of the cases in point. I cite these for your consideration.

The City has a significant investment in personnel and the most sophisticated EDP resources and practices. Over the years, we have developed an expertise in the administration and collection of local taxes at a conservative cost to our taxpayers. The solvent operation of the City is in large measure predicated on these locally collected revenues. Budgeting and future financial planning can be seriously impaired by Acts of the Legislature over which we, as a local government unit, might have no control.

I would, therefore, propose that we as a local unit of government be given consideration of a constitutional nature within presoribed limits, the

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maximum flexibility of managing our Home Rule resources consistent with other units of local government.

In conclusion, I feel that it is essential in your input that we as a local unit of government be given statutory authority in imposing and regulating local taxes in the interest of our people and in meeting our current revenue requirements and future financial planning. An official policy statement will be submitted to you next month for your review.

Thank you for your time.

#### MINUTES

Minutes of the fifth meeting of the Revenue, Finance, and Taxation Committee of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention of April 19, 1973

Senate Chamber of the State Capitol

Baton Rouge, Louisiana

Friday, April 27, 1973

Presiding: Sen. B. B. Rayburn, Chairman

#### Present

John A. Alario, Jr.  
Walter J. Champagne  
David Conroy

#### Absent

Charles Badeaux  
Sen. James H. Brown  
Lawrence Chehardy

Sen. J. D. De Blieux  
Sheriff Frank M. Edwards  
John Clyde Fontenot  
J. A. McDaniel  
Dr. Claude Mauberret, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel B. Nunez, Jr.  
Arthur J. Planchard  
Sen. B. B. Rayburn, Chairman  
Charles E. Roemer, III  
Earl J. Schmitt  
Charles Slay  
Risley C. Triche  
F. D. Winchester

Herman Lowe  
Jasper K. Smith

Discussion followed on the possible changes which would be necessitated were the Property Tax Relief Fund to be re-established in keeping with the court's prohibition on the distribution of the fund.

The committee was recessed for lunch at 11:55 a.m. with the chairman's suggestion that following the luncheon recess, at 1:30 p.m., the subcommittees meet.

The committee returned from lunch to hold a brief discussion before dividing into subcommittees. The committee meeting, at 2:00 p.m. was ordered recessed until 9:00 a.m., Saturday, April 28, 1973.

The chairman called the committee to order at 10:15 a.m. and following the roll call, a quorum being present, the agenda was reviewed. Messrs. Lowe and Smith were granted leave for one day and two days respectively.

Mr. Winchester was recognized and read a statement from the Research Institute of America, which he asked to be made a part of the minutes. A copy of this statement, Item 53, is attached hereto and made a part of these minutes.

Mr. Mire then presented the plan of the Louisiana Assessors' Association as released to the news media on April 26, 1973, and copies were distributed to the committee. A copy is attached hereto and made a part of these minutes.

In the discussion following, Mr. Mire explained the implementation of the plan, urging that a constitutional proposal be adopted, and saying that a procedure for implementation of the plan would be introduced to the legislature.

Problems regarding the shifting of tax burdens from the homeowners to other taxed property were discussed at length. Millages and percentages of assessments, intangible and movable property, farm and industrial property were included in the topics. It was determined that millage roll backs, would make the need for home-  
stead exemption negligible, were the plan to pass.

Senators Nunez and Rayburn questioned Mr. Mire about the plan's effect on farm land. Mr. Fontenot asked to be put on record as opposing an increase in farm property taxes, reasoning that there were more homeowners than farmers and that homeowners should pay a proportionate share of the taxes.

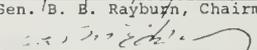
Mr. Roemer addressed his remarks to the assessors, saying that farmers would pay more taxes if they paid their fair share, but the danger was that farmers would also pay the homeowners' share. He, too, asked to be recorded as opposing that portion of the plan dealing with farm property.

Senator Nunez asked what the cost of eliminating ad valorem property taxes on homes would amount to.

Mr. Champagne reviewed the figures he had requested from the staff on parishes and school boards presently operating under a deficit.

Following lengthy discussion of Mr. Champagne's presentation, Senator Nunez read the minority report of the Governor's Revenue Sharing Committee, and asked that it be recorded in the minutes. A copy of the report is attached and made a part of these minutes.

Senator Rayburn asked for alternative solutions to providing funds for those parishes now under revenue sharing who have no surplus monies.

  
\_\_\_\_\_  
Sen. B. B. Rayburn, Chairman  
  
\_\_\_\_\_  
Sheriff Frank M. Edwards, Jr. vice-chairman

The committee was called to order Saturday at approximately 9:35 a.m. by the chairman.

Present

Sen. B.B. Rayburn  
Walter J. Champagne  
Sen. James H. Brown, Jr.  
Lawrence Chehardy  
John Clyde Fontenot  
J.A. McDaniel  
Dr. Claude Mauberret, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel B. Nunez, Jr.  
Arthur J. Planchard  
Charles E. Roemer, III  
Earl J. Schmitt  
Charles Slay  
Risley C. Triche  
Herman Lowe  
David Conroy  
Sen J.D. De Blieux

Absent

John A. Alario, Jr.  
Charles Badeaux  
Frank M. Edwards, Jr.  
Jasper K. Smith  
F.D. Winchester

Following the roll call, the chairman relinquished the chair to Mr. Triche, chairman of the Subcommittee on Revenues Other Than Property Taxation, who called that group to order. The Subcommittee on Public Finance joined the revenue group in the discussion.

Mr. Triche first reviewed the actions taken Friday by the subcommittee.

Senator De Blieux moved that the subcommittee again defer action on consideration of Article X, Section 21.1, regarding the severance tax on sulphur. With no objection, the motion carried.

Discussion followed on the ten-year exemption by local and parish governments to new manufacturing establishments. Mr. Chehardy and Mr. Schmitt rose in opposition to retaining Article X, Section 22, in the new constitution.

Senator De Blieux moved to direct the staff to draft a proposal to delete Article X, Section 22, regarding that exemption from the proposed constitution. Mr. Champagne seconded. With-  
out objection, the motion carried.

Senator De Blieux moved to have the staff draft a proposal to delete Article X, Section 24, concerning relief of manufacturing establishments, from the constitution.

Senator Nunez offered a substitute motion to consider Sections 22 and 24 of Article X together before the Subcommittee on Ad Valorem Taxation.

Senator De Blieux offered a substitute motion to defer action on industrial exemptions.

Senator Nunez asked that the staff be directed to compile a study on industrial exemptions, their effects, percentage factors of new industries moving into a parish, costs to parishes and the state, and criteria for granting the exemptions.

Mr. Slay asked that before action was taken on the matter the representatives of Commerce and Industry again be invited to inform the subcommittee on their views.

Mr. Newton asked that the subcommittee and the Committee of the Whole consider allowing the legislature to authorize industrial exemptions, removing them from the constitution.

The question on Senator De Blieux's substitute motion was called, and without objection carried.

Senator De Blieux moved that Article XIV, Section 24.1, regarding the prohibition of municipalities from taking gasoline, be deleted and that the staff be directed to so draft a proposal.

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Senator Rayburn, and Messrs. Lowe and Newton objected.

On a roll call vote, the motion carried eight to three:

<u>Yeas</u>	<u>Nays</u>
De Blieux	Fontenot
Nunez	Planchar
Slay	Triche
Chehardy	
Mauberet	
Newton	
McDaniel	
Champagne	

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subcommittee proposals. Without objection, the motion carried.

Senator De Blieux asked for retroactive leave of absence for the meetings of April 13 and April 14, 1973. Without objection, leave was granted.

Mr. Lowe asked that the minutes of the Subcommittee on Public Finance of April 6, 1973, show that he had requested leave of the subcommittee, and that the minutes of the April 13-14, 1973 committee meeting in New Orleans be corrected in a like manner. Without objection, the requests were granted.

Following discussion of matters previously discussed in the meeting, the chairman suggested that the staff mail the drafted proposals--if completed before the May 11, 1973 meeting date--to the members of both the committee and its subcommittees.

Without objection, the meeting was adjourned at 11:40 a.m.

Risley C. Triche, Chairman of  
Subcommittee on Revenues

Sen B.B. Rayburn, Chairman

Regarding fiscal management and appropriations, including a central reporting system for federal funds, Mr. Newton moved that the research staff look into the possibility of providing, either in the constitution or otherwise, for a central reporting agency or procedure, including federal funds received by state agencies. Without objection, the motion carried.

In reference to Article X, Section 1, on the income tax, Mr. Fontenot moved that the staff be instructed to write a provision deleting reference to the schedule of rates. Mr. Planchar supplied the second.

Mr. Chehardy objected.

Mr. Fontenot withdrew his motion.

Mr. Chehardy moved that the existing rate schedule on the income tax provision be levied only by the state, prohibiting local and parochial governments from levying an earnings tax.

Mr. Champagne offered a substitute motion to have the staff draft a proposal (providing for a rate schedule to be set by the legislature). Mr. McDaniel seconded.

Following extended discussion, the vote was called on the

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substitute motion. A roll call vote tallied eight yeas, three nays and the motion carried:

<u>Yeas</u>	<u>Nays</u>
De Blieux	Nunez
Slay	Mauberet
Fontenot	Chehardy
Newton	
Planchar	
McDaniel	
Champagne	
Triche	

#### NEWS RELEASE BY THE LOUISIANA ASSESSORS' ASSOCIATION

At a meeting of the Louisiana Assessors' Association held Wednesday, April 25th, the assessors approved a plan recommended by its Legal and Legislative Committees to provide remedial legislation and appropriate constitutional amendments for implementation of this plan. After considering this proposal point by point 80% of the assessors in attendance voted favorably for its adoption.

Meeting with these committees and the association was Mr. Camille Gravel, recently retained by the association as its legal council. Mr. Gordon Johnson, Chairman of the Louisiana Tax Commission and Mr. Bob Broadhurst, a member of the commission also attended these meetings and worked with the group toward arriving at the plan ultimately adopted by the Assessors' Association.

The following is the proposal approved by the Louisiana Assessors' Association for presentation to the Constitutional Convention and the Legislature:

"Proposed classification and percentage to be used for assessing property other than that which is expressly exempt by the Constitution.

CLASSIFICATION BY ASSESSOR:

PERCENTAGE

- 1. All Land 10% of Fair Market Value
- 2. Residential Improvements 15% of Fair Market Value with Homestead Exemption being increased to \$10,000
- 10% of Fair Market Value with Homestead Exemption being less than \$10,000
- 3. All Other Improvements 15% of Fair Market Value
- 4. Merchandise and Stock in Trade 20% of Fair Market Value
- 5. All Other Property 20% of Fair Market Value

CLASSIFICATION BY TAX COMMISSION:

- 6. Public Service Properties 20% of Fair Market Value

(1) The Legislature should provide that if the new procedures result in increased assessments in excess of what normal growth would produce, that there be a mandatory adjustment of millage to the extent that the same amount of tax dollars would be produced after allowing for normal growth.

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- (2) Request three years to implement the above program and a Legislative Appropriation to fund same.
- (3) The Assessor of each parish will have the authority to set values on all properties in his parish except Public Service Properties. Each assessor will establish an acceptable appraisal practice in his parish meeting the requirements of the law in determining fair market value.

The assessed value, using the above percentages, will be placed on the tax rolls instead of market value, thereby eliminating the 100% of value concept being put on the tax roll."

After implementation of this plan, the practices and values established by the assessors will be subject to the review and approval of the Louisiana Tax Commission.

It is the opinion of the majority of Louisiana Assessors that this proposal, when implemented, will protect the property owners of Louisiana from possible confiscatory taxes which could be levied upon them by the recent court decision.

GOVERNOR'S REVENUE SHARING COMMITTEE

As members of the Government Revenue Sharing Committee we must disagree with the majority report as submitted to you.

We feel that the recommendation contained in the majority report are not the proper solutions as the factors used are not consistent with the original intent of the people of this state when, by their consent, a change in the Constitution was initiated.

We feel that if the people had known that the homestead factor would only be a 20% determination they would have defeated same at the polls.

To really understand the complexities of this problem, we must revert back to the original intent and purpose of the Property Tax Relief Fund. When the people agree to tax themselves on income with the expressed purpose of distributing the burden of taxation of this state, it was their intention that these moneys would be used solely for that purpose.

Again when the same proposition was submitted to the people in 1972 they agreed to abandon the Property Tax Relief Fund in lieu of a Revenue Sharing Fund but always with the expressed purpose that this would not in any way interfere or jeopardize their homestead exemptions.

For the above reasons, it is incomprehensible to us to use population as a factor to arrive at a solution to this problem. The courts did not declare that the Property Tax Relief Fund was unconstitutional. It did declare that the method of distribution was unconstitutional. Therefore, we feel that we should address

ourselves strictly to the distribution aspect in this matter in lieu of trying to tell the legislative how to use the excess generated by the income tax, a portion of the beverage tax and a portion of the public utility tax.

It is therefore our sincere opinion that these moneys should be distributed on a Homestead Exemption basis only. According to the attached chart you can see and compare with what this would mean to each Parish in the state based on homeowners only in lieu of Act IV of 1972.

We further contend that the distribution should be made by The Parish Tax Collector involved prorated according to the millage rates as levied in these particularly parishes. This method would tend to create a more realistic and sound financial situation so as to enable the local tax recipients to plan a more orderly building and service programs.

The Parish Tax Collector prior to the above distribution mentioned would deduct his fees and all other fees that are deductible from property tax collection.

We have thoroughly enjoyed the opportunity to serve on this committee and all recommendations as attached are the results of many weeks of careful consideration, research and study of methods of distribution of the State Revenue Sharing Fund.

We serve at your pleasure and hope our efforts will be a small contribution in your endeavor to lead the legislature in the most equitable solution to a very grave problem. We must be ever mindful that the average homeowner in this state cannot afford to pay more taxes or if at all possible we should see that he pays very little, if any, taxes to reside in his own home which constitutes a non-income deriving property.

Very Truly Yours

F.E. BOUDREAUX, MEMBER  
REVENUE SHARING COMMITTEE

HUBERT ROBICHAUX, MEMBER  
REVENUE SHARING COMMITTEE

**NOTES**  
Research Inst. of America, Item 53,  
referred to in the Minutes is not found  
in the files of the Committee.

MINUTES

Minutes of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

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

State Capitol, Committee Room 9

Baton Rouge, Louisiana

Friday, May 11, 1973, 10:00 a.m.

Presiding: B. B. Rayburn, Chairman of the Committee on Revenue, Finance and Taxation

Present: B. B. Rayburn      Absent: None  
John Alario  
Charles Badaeux  
James Brown  
Walter Champagne

Lawrence Chehardy  
 David Conroy  
 J. D. De Blieux  
 Frank Edwards  
 John Fontenot  
 Herman Lowe  
 J. A. McDaniel  
 Claude Mauberret  
 Pegram Mire  
 Autley Newton  
 Samuel Nunez  
 Arthur Planchard  
 Charles Roemer  
 Earl Schmitt, Jr.  
 Charles Slay  
 Jasper Smith  
 Risley Triche  
 F. D. Winchester

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

Mr. J. S. Brendler, general manager, Cities Service Company in Lake Charles, was introduced. A copy of Mr. Brendler's presentation is attached hereto and made a part of these minutes. Considerable discussion ensued concerning Mr. Brendler's recommendations.

Mr. Gene Cretini representing the Department of Commerce and Industry requested to be recognized. He explained the department's policy on replacement items, and heeded to several questions by members of the committee.

Chairman Rayburn introduced Mr. Ed Stagg, executive director of the Council for a Better Louisiana. Mr. Stagg was representing Mr. A. J. Waechter, chairman, Committee on Revenue, Finance and Taxation of the Council for a Better Louisiana. He presented recommendations concerning property tax to the members of the committee, and discussion of these recommendations followed. A copy of Mr. Waechter's recommendations is attached and made a part of these minutes.

The committee recessed for lunch at 12:00 noon.

The chairman called the meeting to order at 1:30 p.m., and asked if there was anyone wishing to be heard concerning the ten-year tax exemption. After discussion, Mr. Newton offered a motion not to hear any other testimony, and the chairman called for a roll call vote:

Yeas: Badeaux McDaniel Newton Schmitt Slay Smith Triche	Nays: Alario Brown Conroy De Blieux Edwards Fontenot Mauberret Nunez Planchard Roemer Winchester
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There being eleven nays and seven yeas, the motion failed. It was decided to invite Mr. Charles Smith of the Department of Commerce and Industry to appear before the committee in the morning.

Representative Conway LeBleu was recognized. He asked the committee to increase the limitations on severance tax reimbursement to the parishes from \$200,000 to \$400,000 (applies only to oil, gas, etc.).

Chairman Rayburn excused himself to attend another meeting, and Vice Chairman Edwards took charge.

Mr. Smith offered a motion to approve the minutes of March sixteenth and seventeenth, March thirtieth and thirty-first, April thirteenth and fourteenth, and April twenty-seventh and twenty-eighth. Hearing no objections, Vice Chairman Edwards so ordered.

Mr. Mire offered a motion to approve the subcommittee's minutes. Hearing no objections, the vice chairman so ordered.

Mr. Triche gave a report of the Subcommittee on Revenue Other Than Property Tax. During this report, he stated that the subcommittee was divided on the question of the \$3 automobile tax presently in the constitution. Mr. Smith offered a motion to delete Article VI, Section 22 from the constitution. However, after discussion, Mr. Slay offered a substitute motion to leave the \$3 license tax in the constitution. A roll call vote was taken on the substitute motion.

Yeas: Alario Badeaux Chehardy Fontenot Mauberret Nunez	Nays: Champagne Conroy De Blieux Lowe McDaniel Mire
---	--

3

Yeas: Planchard Slay Winchester	Nays: Newton Roemer Schmitt Smith Triche
---------------------------------------	--

There being nine yeas and eleven nays, the substitute motion failed.

A roll call vote was taken on the original motion by Mr. Smith:

Yeas: Brown Champagne Conroy De Blieux Lowe McDaniel Mire Newton Roemer Schmitt Smith Triche	Nays: Alario Badeaux Chehardy Fontenot Mauberret Nunez Planchard Winchester
---	--

There being twelve yeas and eight nays, the motion passed.

The meeting recessed at 4:00 p.m.

The meeting reconvened Saturday morning, May 12, 1973, at 10:15 a.m. in committee room 9 of the State Capitol.

Presiding: B.B. Rayburn, Chairman of the Committee on Revenue, Finance and Taxation

Present: B.B. Rayburn John Alario Charles Badeaux Walter Champagne David Conroy J.D. De Blieux John Fontenot Herman Lowe J.A. McDaniel Claude Mauberret Pegram Mire Autley Newton Samuel Nunez Arthur Planchard Charles Roemer	Absent: James Brown Lawrence Chehardy Frank Edwards Risley Triche
--	--

4

Earl Schmitt, Jr.  
Charles Slay  
Jasper Smith  
F.D. Winchester

The meeting adjourned at 1:30 p.m.

  
CHAIRMAN  
\_\_\_\_\_  
VICE CHAIRMAN  
\_\_\_\_\_  
SECRETARY

Upon roll call and a quorum established, Mr. Alario moved for reconsideration of the committee's action of the previous day with respect to the three-dollar license plate tax. Mr. Smith offered a substitute motion that reconsideration of the matter be deferred until some of the other members of the committee arrived and until after the person scheduled to appear before the committee from the Department of Commerce and Industry had been heard. The substitute motion failed and the chairman placed the matter before the committee for discussion. After an extended discussion in which the committee explored the aspects of proposing that this matter, Article VI, Section 22, be left in the constitution without change, of removing it from the constitution, of submitting it to the people for vote, and various other alternatives, Mr. Badeaux offered a motion that the chairman set a specific date, being the next regular meeting on Friday or Saturday, on which this committee will vote on this matter and that it be so stated in the agenda on the notice of meeting. Mr. Smith offered a substitute motion that a vote be taken at this meeting. The substitute motion failed and Mr. Badeaux' motion was adopted.

Senator Rayburn introduced Mr. Gene Cretini of the Department of Commerce and Industry who was appearing

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STATEMENT TO  
COMMITTEE ON REVENUE, FINANCE AND TAXATION  
(CC 73)

MAY 11, 1973

BATON ROUGE, LOUISIANA

5

before the committee to present information pertaining to industrial tax exemptions. Materials distributed by Mr. Cretini to aid in his presentation are attached hereto and made a part of these minutes as Attachments No. 1, 2, 3, and 4. Questions were asked by the committee members as to procedure followed in granting industrial tax exemptions, length of time for which such exemptions are granted, circumstances under which an extension of original period of exemption may be obtained, under what authority the Department of Commerce and Industry acts in granting these exemptions, and numerous queries with respect to the facts and figures contained in the above-mentioned attachments. The committee requested a copy of the rules and regulations under which the department operates and Mr. Cretini agreed to comply with the request.

In discussion after the hearing, the committee requested the research staff to furnish information as to how industrial tax exemptions are granted in other states. The committee also requested the research staff to determine if industrial tax exemptions could be provided for in the statutes.

By  
J. S. Brendler, General Manager  
Cities Service Company - Lake Charles Operations

My name is J. S. Brendler. I am the General Manager of the Cities Service refining and petrochemical Complex at Lake Charles.

Cities Service and its predecessor companies have operated in Louisiana for more than 60 years. As you know, we have extensive oil and gas operations in this state and are a major producer of petroleum products, petrochemicals, plastics, carbon black and synthetic rubber in Louisiana. We conduct business in 50 of Louisiana's 64 parishes, employ over 3,000 people with an annual payroll exceeding 40 million dollars, and pay more than 8 million dollars per year in taxes to the State of Louisiana (exclusive of motor fuels taxes).

As you know, Article X of our State Constitution provides that the Board of Commerce and Industry, with the approval of the Governor, may grant 5 year exemptions from property taxes to new manufacturing plants and to expansions of such plants. The original exemption may be renewed for one additional 5 year period for a total

exemption of 10 years. After 10 years the full annual property tax must be paid for the remaining life of the plant.

To assist you in your evaluation of the Industrial Tax Exemption Law, I would like to briefly review for you the workings of this law in Calcasieu Parish.

In Calcasieu Parish, industrial property is assessed at 25 percent of value while nonindustrial property is assessed at about 14.3 percent. After allowing for Homestead Exemption, the effective assessment of

- 2 -

residential property in the 15,000 to 40,000 dollar range is about 6.7 percent. Industrial property is, therefore, assessed at 4 times the effective residential ratio for homes in the 15,000 to 40,000 dollar range. And homes valued at less than 13,000 dollars generally enjoy a tax free status because of the Homestead Exemption.

I now invite your attention to Table I. The tabulated information was furnished by Mr. A. C. Kirkpatrick, the Tax Assessor for Calcasieu Parish. The projected assessment of Big Industry in Ward 4 of Calcasieu Parish is indicated as a sub-total. The tax exemption contracts which expire after ten years make it possible to accurately project the industrial assessed value for the next ten years. And the picture for Calcasieu Parish is very comforting to the citizens of that parish in that it gives them assurance of revenue more than ample to meet all anticipated needs. In the ten year period, 1972 to 1982, the industrial assessment in Ward 4 of Calcasieu Parish will increase from 123.3 million to 216.7 million dollars. In this connection, it is noted that there has been no time during the development of industry in Calcasieu Parish when tax revenues were insufficient to meet all reasonable requirements.

I would now appreciate your turning to Figure A. This graph shows the assessed valuation of the 10 year tax exemption contracts which will expire during the period 1973 to 1983 for manufacturing facilities constructed in Ward 4 of Calcasieu Parish during the period 1962 through 1972.

- 3 -

The information used to prepare this graph is taken from Table I. The graph tells us that plant expansion in Calcasieu Parish was modest from 1962 through 1966, rapid from 1967 through 1971, and greatly reduced during 1972. Industrial construction during 1973 will fall below the 1972 level and very little is on the boards for 1974.

Calcasieu Parish has one of the highest unemployment rates in the State. Unemployment in the building trades in Calcasieu Parish exceeds 40 percent.

The industrial community in Calcasieu Parish obviously needs a great deal of encouragement at this time. This can be provided only by construction resulting from continued industrial expansion in the area,

Economic evaluations of new plants and plant expansions are based on the present worth of money as measured by Profitability Index. Cash produced during the early years of plant life has a more pronounced effect on Profitability Index than cash generated in later years. The tax exemption during the first ten years of operation has enabled our Lake Charles Complex to compete successfully for corporate funds to build new plants and to expand existing plants. If this competitive factor is reduced, we would be forced into a position of serious disadvantage with competing industries in adjoining states.

I am sure you know that modern refineries and petrochemical plants employ large pieces of sophisticated equipment arranged sequentially

- 4 -

in single trains -- much like the links of a continuous chain. Failure of a single large machine may shut down the entire plant. For this reason, heavy and prolonged startup costs are frequently associated with such plants. The Industrial Tax Exemption is an important offset to such startup costs and its preservation is necessary to assure continued expansion of our facilities.

Less than 10 years ago, Cities Service operated four refineries in the United States. Today we operate only one -- our plant at Lake Charles. In fact our East Chicago, Indiana refinery was shut down less than 6 months ago. High taxes, uneconomical plant size and obsolescence were important considerations in the shutdown decisions. Our Lake Charles Complex has remained competitive only because, over the years, we have been able to justify substantial expansion and the replacement of obsolete equipment, due largely to the continued tax exemption.

As you know, our basic plant at Lake Charles is almost 30 years old. Elimination of the Industrial Tax Exemption Law would make it increasingly difficult to justify the continued expansions and replacements which will be required to maintain the competitive position of our Lake Charles Complex.

Big industry bears over 50 percent of the property tax burden in Calcasieu Parish. Demands for additional tax dollars to provide community services are increasing each year. I must, therefore, strongly urge you to take whatever measures are necessary to preserve the Industrial Tax Exemption provisions which have enabled industry to flourish in our state.

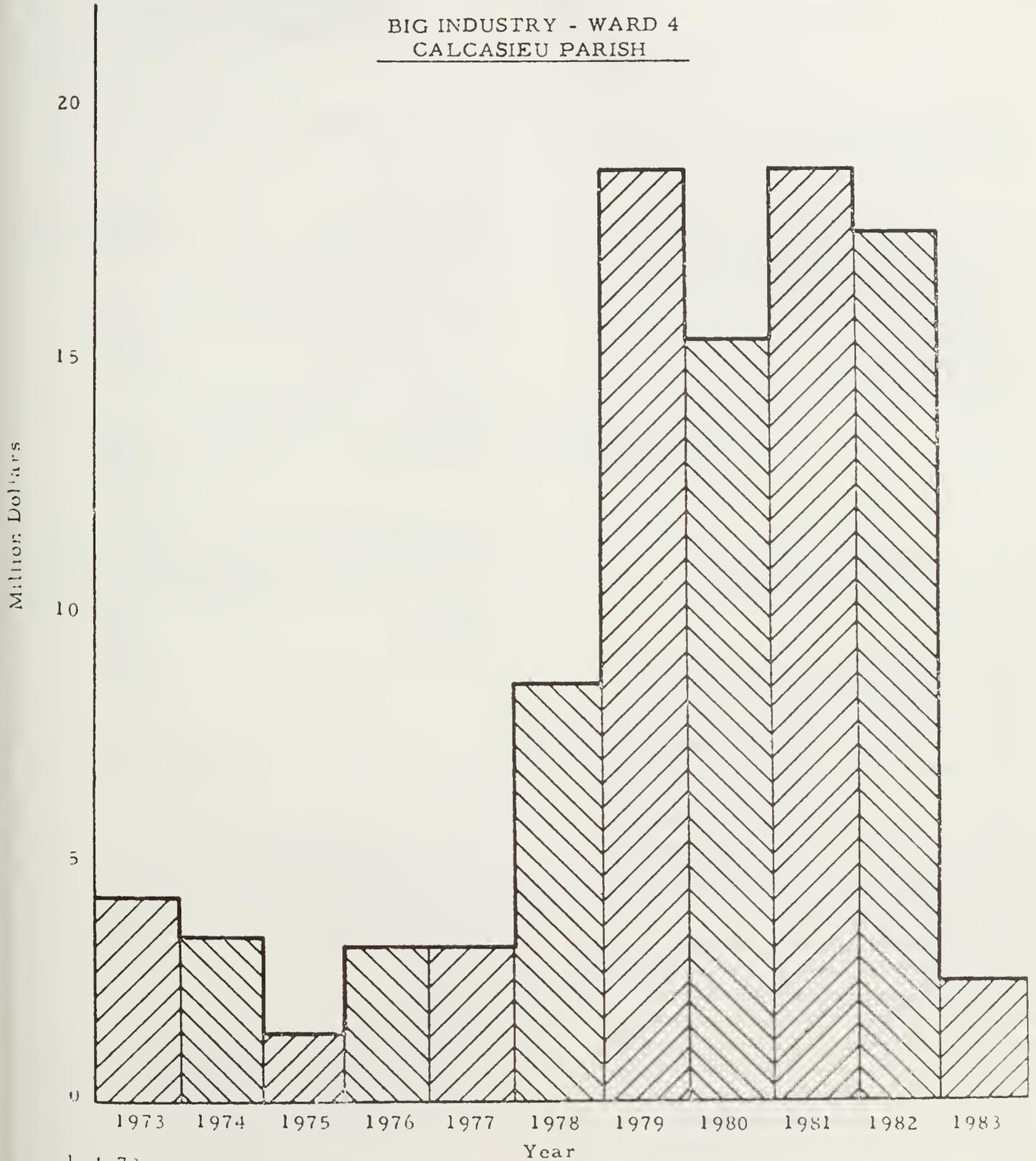
TABLE I  
PROJECTED ASSESSMENT - CALCASIEU PARISH  
(Million Dollars)

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>Big Industry - Ward 4</u>												
Cities Service	68.0	68.2	71.3	71.4	72.5	72.9	77.8	84.6	86.1	89.4	94.4	
Conoco	18.4	18.4	18.4	18.5	18.9	19.6	21.0	29.8	31.1	31.8	35.0	
Firestone	3.3	3.4	3.4	3.4	3.5	3.8	4.3	5.5	5.6	7.8	8.3	
W. R. Grace	2.2	2.2	2.2	2.2	2.3	2.3	2.5	2.8	2.9	3.1	3.2	
Gulf States	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	25.2	25.2	
Hercules	4.1	7.6	7.6	7.8	8.0	8.2	8.4	9.2	9.7	9.7	18.2	
Olin	3.5	3.6	3.6	3.7	3.8	4.0	4.2	4.5	4.5	4.6	4.6	
PPG	7.3	7.3	7.6	7.7	8.8	10.1	11.1	11.1	22.8	23.7	23.7	
Other	<u>2.3</u>	<u>2.5</u>	<u>2.5</u>	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	<u>3.8</u>	<u>3.8</u>	<u>4.1</u>	<u>4.1</u>	
Sub-Total	123.3	127.4	130.8	132.2	135.3	138.4	146.8	165.5	180.7	199.4	216.7	219.2
<u>Total Parish</u>	292.8	300.0	305.0	308.5	313.5	321.0	331.0	351.0	368.0	388.0	405.0	409.5

FIGURE A

ASSESSED VALUATION OF  
TEN YEAR TAX EXEMPTION CONTRACTS  
WHICH WILL EXPIRE DURING PERIOD 1973-1983

BIG INDUSTRY - WARD 4  
CALCASIEU PARISH



1-4-73



HEADQUARTERS FIDELITY NATIONAL BANK BUILDING  
P O BOX 2978 BATON ROUGE, LOUISIANA 70821

May 11, 1973

TELEPHONE  
342-5229

Senator B. B. Fayburn, Chairman  
Constitutional Convention Committee on  
Revenue, Finance, and Taxation  
Baton Rouge, Louisiana

Dear Senator Rayburn,

Attached are recommendations of the Council for a Better Louisiana for consideration by your Committee of the Convention on the matter of property tax.

This proposal would redefine the matter of valuing and assessing property to provide for equity in assessments and flexibility in legislative control of assessments.

We will be pleased to discuss these proposals at your convenience.

At a later date we will appreciate an opportunity to offer proposals on other aspects of the property tax.

Sincerely yours,

A. J. Waschter, Chairman  
Committee on Revenue, Finance,  
and Taxation of the Council  
for a Better Louisiana

Proposed Revision of Article X, Section 1  
of the Louisiana Constitution of 1921

§ 1. Taxing power; specific taxes

Section 1. Vesting of power, restrictions, assessments and valuations.

The power of taxation shall be vested in the Legislature, shall never be surrendered, suspended or contracted away; and all taxes shall be uniform upon the same class of subjects throughout the territorial limits of the authority levying the tax, and shall be levied and collected for public purposes only. All taxable property shall be valued and placed on the assessment rolls at current market value and assessed at a uniform ratio in relation to value as determined by the Legislature. All taxpayers shall have the right of testing the correctness of their valuations before the courts at the domicile of the assessing authority, or as may be directed by law. The valuation and assessment fixed by the Legislature shall be the valuation and assessment for state and local purposes.

No taxing authority following any revaluation of property to achieve the requirements of this Article (Section) shall apply millage rates to such taxable property in an amount that will produce more revenue to the taxing authority than was produced from the whole of the property subject to that taxing authority in the preceding year, except from property not previously assessed. If the Legislature modifies the percentage of assessment so as to otherwise increase or decrease the revenue as applied to the property assessed in the preceding year, the taxing authority shall adjust the millage proportionately if the percentage of assessment is increased and may adjust the millage proportionately if the percentage of

assessment is decreased. Provided, however, that the electors of any taxing authority may approve millage rates to produce higher revenue in an election called for that purpose according to law.

NOTES

Cretini materials, Addendum No. 1,  
reproduces Industrial Development,  
November/December 1972.

STATE & LOCAL TAXES ON A HYPOTHETICAL CHEMICAL PLANT IN LOUISIANA  
UTILIZING NATURAL GAS AS A MAJOR RAW MATERIAL

Hypothetical Plant

Capital Investment	\$ 50,000,000
Land	500 Acres
Employment	350 Persons
Total annual payroll	\$ 3,500,000
Annual product sales value	\$ 35,000,000
Raw material purchased annually (Includes \$2,500,000 for Natural Gas at \$0.25/MCF)	\$ 5,000,000
Operating supplies purchased annually	\$ 850,000
Utilities purchases (electricity) per year	\$ 1,500,000
Average inventory levels	
(a) Finished goods	\$ 2,000,000
(b) Materials, supplies, etc.	\$ 1,000,000

Tax Payments

During construction of plant (per year):	
Organization fee	\$ 1,000
Payroll taxes	\$ 97,200
Sales tax @ 5%	\$ 500,000
TOTAL	\$ 598,200

Assuming a two (2) year construction period the total state and local taxes paid would be \$1,196,400.

Upon completion of the plant, the following state and local taxes would be paid for the first 10 years, assuming a 10-year tax exemption.

Ad Valorem	\$ 148,500
Payroll tax	\$ 28,350
Sales tax	\$ 25,000
Power use tax	\$ 15,000
Franchise tax	\$ 75,000
Income tax	\$ 490,000
TOTAL	\$ 781,850

ATTACHMENT NO. 2

-2-

After expiration of the 10-year industrial exemption, an additional \$742,500 in taxes would be due.

In summary, the hypothetical chemical installation in Louisiana would pay the following state and local taxes on an annual basis:

During construction	\$ 598,200
During operation for first 10 years	\$ 781,850
During operation after 10 years	\$ 1,524,300

The details used in computing the taxes paid are as follows:

Annual Taxes

Ad Valorem Taxes

Investment - \$5,000,000 non exempt @ 30% @ 55/1000	\$ 82,500
\$45,000,000 exempt @ 30% @ 55/1000	\$ 742,500
Average finished goods - \$2,000,000 assessment @ 40% @ 55/1000	\$ 44,000
R/M, Supplies, etc. - \$1,000,000 assessment @ 40% @ 55/1000	\$ 22,000
TOTAL	\$ 891,000



ESTIMATED AD VALOREM TAXES WAIVED AND DIRECT PAYROLLS GENERATED  
AS A RESULT OF THE INDUSTRIAL TAX EXEMPTION PROGRAM (1963-72)

Parish	Estimated Assessment %	Approximate Average Millage	Investment Exempted from Ad Valorem Taxes <sup>1</sup>	Estimated Annual Taxes Waived <sup>1</sup>	Permanent Jobs Created (by these investments)	Estimated Annual Payroll Created (by these investments)	Construction Jobs
Acadia	16	32.65	\$ 15,007,000	\$ 78,397	196	\$ 933,893	601
Allen	20	77.45	11,146,000	172,652	516	3,483,599	380
Ascension	15	43.15	415,129,000	2,686,922	1,783	19,564,930	12,143
Assumption	15	38.05	11,646,000	66,470	124	1,138,652	426
Avoyelles	20	39.05	2,584,000	20,181	373	1,410,671	257
Beauregard	14	52.75	7,685,000	56,754	86	763,415	339
Bienville	25	33.45	733,000	6,130	48	244,483	65
Bossier	25	44.15	2,825,000	31,181	624	4,259,449	293
Caddo	30	35.25	134,165,000	1,415,270	7,574	56,848,020	3,453
Calcasieu	25	53.85	421,463,000	5,673,946	3,673	38,113,252	14,925
Caldwell	25	57.55	870,000	12,517	95	508,277	105
Cameron	15	55.45	31,315,000	260,463	244	2,081,593	938
Catahoula	25	50.55	2,111,000	26,678	329	1,203,035	94
Clabarne	25	33.95	4,177,000	35,452	181	902,234	185
Concordia	25	59.75	335,000	5,004	2	9,118	29
DeSoto	25	21.95	197,000	1,081	48	304,861	26
East Baton Rouge	30	47.45	529,661,000	7,539,724	3,603	40,446,413	21,279
East Carroll	12	40.95	1,414,000	6,948	188	956,484	183
East Feliciana	25	25.45	74,000	471	120	546,874	None
Evangeline	25	35.65	19,293,000	171,993	228	1,451,649	439
Franklin	18	58.05	203,000	2,173	231	985,344	None
Grant	--2	61.05	None	None	None	None	None
Iberia	30	52.65	11,656,000	184,107	290	1,827,244	443
Iberville	15	43.35	415,082,000	2,699,071	1,489	15,837,123	9,131
Jackson	15	57.15	16,005,000	137,203	41	372,269	454
Jefferson	25	100.75	196,888,000	4,959,117	9,203	79,315,871	7,842
Jefferson Davis	25	33.65	4,424,000	37,217	376	2,389,450	542

ESTIMATED AD VALOREM TAXES WAIVED AND DIRECT PAYROLLS GENERATED AS A RESULT OF THE INDUSTRIAL TAX EXEMPTION PROGRAM (1963-72)  
 (Continued--Page 2)

Parish	Estimated Assessment %	Approximate Average Millage	Investment Exempted from Ad Valorem Taxes <sup>1</sup>	Estimated Annual Taxes Waived <sup>1</sup>	Permanent Jobs Created (by these Investments)	Estimated Annual Payroll Created (by these Investments)	Construction Jobs
Lafayette	25	60.85	\$ 5,031,000	\$ 76,534	363	\$ 2,505,789	491
Lafourche	25	73.35	9,685,000	177,598	753	5,476,750	539
LaSalle	15	55.35	21,826,000	302,017	893	6,596,698	457
Lincoln	15	48.05	5,288,000	38,113	304	2,027,218	267
Livingston	25	85.85	7,078,000	151,912	405	2,446,540	178
Nadison	15	40.75	5,864,000	35,844	68	328,282	100
Morhouse	20	31.95	71,632,000	457,729	155	1,345,536	3,726
Natchitoches	25	64.85	10,329,000	167,459	20	91,343	250
Orleans	25	43.95	177,715,000	1,952,643	3,461	27,008,398	6,205
Ouachita	25	30.45	76,706,000	583,924	2,937	27,219,999	2,859
Plaquemines	25	21.55	30,213,000	162,773	442	4,237,790	820
Pointe Coupee	15	30.45	5,355,000	24,459	246	1,230,079	223
Rapides	20	70.05	83,344,000	1,167,649	1,325	8,914,971	2,643
Red River	25	40.05	2,011,000	20,135	318	1,618,709	53
Richland	25	42.75	3,722,000	39,779	568	2,626,341	160
Sabine	25	68.55	5,796,000	99,329	643	3,973,341	127
St. Bernard	12	91.45	69,982,000	767,982	233	2,305,554	3,056
St. Charles	12.5	50.25	453,950,000	2,851,373	2,037	24,283,077	19,816
St. Helena	--2	67.45	None	None	None	None	None
St. James	11	53.05	227,360,000	1,326,759	992	11,538,825	5,385
St. John the Baptist	25	60.15	91,776,000	1,380,082	695	7,204,870	2,567
St. Landry	25	36.75	2,229,000	20,479	637	3,082,188	190
St. Martin	25	85.05	12,419,000	264,059	154	894,093	515
St. Mary	25	38.85	93,685,000	909,916	580	4,948,351	2,879
St. Tammany	25	63.65	3,115,000	49,567	381	2,779,425	260
Tangipahoa	25	63.65	8,367,000	133,140	1,555	8,132,090	409
Tensas	20	54.65	1,590,000	17,379	126	694,184	105
Terrebonne	25	60.25	29,854,000	449,676	1,280	9,478,810	1,023
Union	25	55.15	7,016,000	96,733	1,453	6,595,283	180
Vermillion	15	52.25	12,688,000	99,442	258	1,395,130	809

ESTIMATED AD VALOREM TAXES-WAIVED AND DIRECT PAYROLLS GENERATED AS A RESULT OF THE INDUSTRIAL TAX EXEMPTION PROGRAM (1963-72)  
(Continued--Page 3)

Parish	Estimated Assessment %	Approximate Average Millage	Investment Exempted from Ad Valorem Taxes <sup>1</sup>	Estimated Annual Taxes Waived <sup>1</sup>	Permanent Jobs Created (by these investments)	Estimated Annual Payroll Created (by these investments)	Construction Jobs
Vernon	25	66.05	\$ 739,000	12,203	450	\$ 1,988,298	1,900
Washington	25	45.55	39,223,000	446,652	54	473,569	1,910
Webster	20	43.25	25,824,000	223,378	773	5,927,704	962
West Baton Rouge	25	42.55	21,404,000	227,685	225	1,506,375	770
West Carroll	25	48.25	93,000	1,122	310	1,178,050	None
West Feliciana	22	25.55	100,022,000	562,224	644	4,349,421	1,748
Winn	20	50.35	14,739,000	148,363	755	4,568,294	599
STATE TOTAL (10 yrs.)			\$3,993,768,000		58,158		138,705
STATE TOTAL (1972)				\$41,773,233		\$476,869,568	
STATE AVERAGE	20.7%	50.00 Mills					

<sup>1</sup>As of December 31, 1972

<sup>2</sup>No recent experience on which to base estimate

INDUSTRIAL INVESTMENT & COMMERCE & INDUSTRY EXPENDITURES 1963-1972

APPENDIX TABLE B-1

YEAR	C & I BUDGET	INVESTMENT	NEW JOBS	EST. AVE. NEW PAYROLLS FOR 10 YEARS**	EST. NEW CONST PAYROLL***	EST STATE SALES TAXES ON NEW INVESTMENT
1963 (64)	\$ 411,196	\$ 246,216,750	3,080	\$ 256,594,800	\$ 99,456,700	\$ 3,334,913
1964 (65)	\$ 423,160	\$ 311,661,268	5,469	\$ 455,622,390	\$ 124,634,504	\$ 3,334,913
1965 (66)	\$ 483,620	\$ 489,628,257	6,699	\$ 557,893,690	\$ 195,651,300	\$ 3,334,913
1966 (67)	\$ 718,182	\$ 501,771,551	11,735	\$ 977,642,850	\$ 200,709,690	\$ 3,334,913
1967 (68)	\$ 747,288	\$ 718,483,706	10,580	\$ 881,419,800	\$ 287,539,490	\$ 3,334,913
1968 (69)	\$ 745,225	\$ 624,252,625	8,464	\$ 705,135,584	\$ 249,701,048	\$ 7,697,322*
1969 (70)	\$ 690,539	\$ 579,263,687	10,748	\$ 895,415,880	\$ 231,705,472	\$ 8,693,333***
1970 (71)	\$ 795,149*	\$ 410,825,223	10,356	\$ 862,758,360	\$ 164,330,089	\$ 7,334,913
1971 (72)	\$ 837,322*	\$ 670,437,687	8,044	\$ 670,145,640	\$ 268,174,072	\$ 12,057,933
1972 (73)	\$ 780,948*	\$ 1,882,112,672	7,697	\$ 641,237,070	\$ 752,843,068	\$ 33,843,313
TOTALS	\$ 5,632,629	\$ 6,434,653,426	82,872	\$ 6,903,866,064	\$ 2,573,660,352	\$ 96,733,913

C & I BUDGET AS % OF NEW INV.

1963 (64)	16/100 of 1%
1964 (65)	13/100 of 1%
1965 (66)	9/100 of 1%
1966 (67)	14/100 of 1%
1967 (68)	15/100 of 1%
1968 (69)	11/100 of 1%
1969 (70)	11/100 of 1%
1970 (71)	19/100 of 1%
1971 (72)	12/100 of 1%
1972 (73)	4/100 of 1%

1953-72 Ave. 10/100 of 1%

\* Actual operating funds (does not include E.D.D. grants)

\*\* Based on November, 1972 average wage of \$160.21 per week (\$6,331 a year)

\*\*\* Based on 40 percent of total investment

\*\*\*\* Sales tax increased to 3% in mid-year

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on June 4, 1973  
Room 206, State Capitol Building  
Baton Rouge, Louisiana  
Friday, June 8, 1973, 10:00 a.m.

Presiding: Frank M. Edwards, Jr., Vice-Chairman of the Committee on Revenue, Finance and Taxation.

Present: Charles A. Badeaux  
Sen. James H. Brown, Jr.  
Walter J. Champagne, Jr.  
Lawrence Chehardy  
David Conroy  
John Clyde Fontenot  
Herman "Monday" Lowe  
Dr. Claude Mauberrret, Jr.  
Pegram Mire  
Autley B. Newton  
A.J. Planchard  
Charles Slay  
Jasper K. Smith  
F.D. Winchester

Absent: Rep. John A. Alario, Jr.  
Sen. J. D. De Blieux  
F.A. McDaniel  
Sen. Samuel B. Nunez, Jr.  
Sen. B.B. Rayburn  
Charles E. Roemer, III  
Earl J. Schmitt, Jr.  
Rep. Risley C. Triche

After the call to order and a quorum of members present, Chairman Edwards introduced Lawrence B. Edlin, Manager-ad valorem taxes, L & N Railroad, of Louisville, Kentucky who spoke to the committee about ad valorem taxes on railroad property. A question and answer period followed including a discussion of what effect recent changes in the Kentucky property tax system have had on the people.

Mr. Fontenot then moved that the committee recess for lunch till 1:30 p.m. at which time they went into subcommittees and met.

*B. B. Rayburn*  
CHAIRMAN  
*Frank M. Edwards*  
VICE CHAIRMAN  
\_\_\_\_\_  
SECRETARY

*6/8/73*  
*Con to whole*  
*Ja ill*  
*R.R.*  
*A. J. Planchard*

I

Property ought not to be so classified that different owners will be taxed differently on the same property.

Property tax is our oldest and best tax. It taxes wealth in its most obvious and permanent form. All property of equal value should contribute equally to the cost of government.

If, because of the nature of certain property, there is difficulty in finding it for taxing, then it may be proper to set up a separate method of assessing. Georgia, for instance, assesses all automobiles at values similar to "Blue Book" schedules and collects the ad valorem tax when it sells the annual license tag. Other states require separate returns of intangible property, and some tax it at rates different from tangible property, but the same to all owners.

In order to raise the tremendous amounts of revenue now called for by the many expensive functions performed by state and local governments, states are already taxing nearly every form of property and nearly every flow of money. Local governments in all states still rely heavily on tangible property taxation, and state governments themselves collect large amounts in net or gross income taxes and in sales and use taxes, besides a myriad of other less important and less productive levies. All of these taxes better serve their purpose when they are kept as general as possible.

-2-

Income taxes are best when they reach income from all sources being received by both persons and corporations. Sales and use taxes are best when they tax all sales and recognize few exemptions. In like manner property taxes are best when they reach all property in everybody's ownership and are taxed at uniform rates.

These separate forms of taxation are classification enough, and legislatures adjust them from time to time in an effort to keep a proper balance among the kinds of taxation which shall be used to finance governmental functions.

The property tax is best administered when it covers the broadest possible base. If a multitude of exemptions is allowed, and there are many complications in the exemptions, then the administration of the property tax becomes very complex and the base of the property tax becomes so restricted that tax rates must be unreasonably high on the property which remains taxable. All property ought to bear its share of the ad valorem tax burden. If there are no exceptions made and assessments are diligently maintained on the basis of current fair market value, then the assessment base will be so large and the tax rate will be so low that hardship cases will be insignificant, and certainly there will be no hardship class of property which needs to have concessions made for it.

During the depression of the nineteen-thirties a few states sought to relieve homeowners from tax sales by setting up homestead exemptions. The stringent economic need for them no longer exists, but some of the exemptions do. Certainly

these exemptions ought not to be extended.

Probably the greatest hope for the economic future of Louisiana is continued economic growth, in the form of continued new industrial and business development being made in this state not only by Louisiana companies using Louisiana capital but also by nationwide companies using capital from all over the United States. The railroads, the public utilities, your state government, and every Chamber of Commerce in Louisiana, spend great amounts of promotional energy soliciting this new development, against heavy competition from other states.

Most businesses have many options as to where to locate new plants, and certainly the fairness and stability of the property tax situation is one of the characteristics which these industrial expansionists have in mind. When those people see discriminatory situations in a state certainly they will examine them very critically, and give consideration to other locations where there is no discrimination but where the fairness of their tax treatment is buttressed by having identical treatment afforded all property. If having a fair, progressive and equal system of taxation in Louisiana will expand the economy of Louisiana by some substantial percentage per year, then all of Louisiana is benefited, and the railroads are benefited in proportion. A healthy expansion of the economy of a state and a healthy expansion of transportation business is much more important to railroads than the saving of taxes involved in changing from the systems now being proposed to a fully equalized system. The principal factor involved is establishing a climate

of taxation which will encourage new investments and expansion of all business in the state.

II

Public utility property ought not to be separately taxed at higher rates.

These properties are assessed directly by the Louisiana Tax Commission, on appraisals which are re-examined every year. There is a minimum of administrative cost involved in developing these assessments which are some 20% of the total tax rolls.

Higher taxation of public utilities is not justified by governmental services required. Public utility companies furnish much of their own fire and police protection, and the nature of the properties are usually such as do not require great governmental attention.

III

Railroad property ought not to be separately assessed for taxation at higher rates.

Although railroads as recently as 50 years ago enjoyed almost complete monopoly in the transportation field,

that is no longer so. Although as late as 1944 railroads still hauled over two-thirds (68.6%) of intercity freight, by 1970 their share was down to less than 40% (39.8) of the total ton-miles hauled. If ever there had been a special value attached to the ownership and operation of a railroad which ought to be specially taxed, that is no longer true. Railroads have to compete intensely for every ton of freight they haul and for every dollar

of revenue they earn with trucks on the freeways which were built with tax money, including railroad taxes, with barge lines on waterways opened by costly engineering feats paid for from the general tax revenues, including railroad taxes; and with airlines operating from government owned airports. Even if railroads did have a monopoly a hundred years ago, and even if that monopoly had a value which ought to have been taxed, it should have been taxed as a franchise, and all railroads' tangible property should have been taxed the same as all other property.

Inherent in the monopoly idea was the thought that the special position of railroads gave them clearer opportunities for high profits. Whether that was ever true or not, certainly it is not true today. Railroads generally do not earn more than 3% on their net worth, and earn only about the same on depreciated cost. With few exceptions, railroads are not today money makers. They do not have the money to pay extra taxes.

Another consideration which once was thought to justify special treatment, regulation, and taxation was the railroads' power of eminent domain. No doubt that power had considerable value up to the turn of the century when their greatest expansion occurred. The railroads now desire the opposite power, i.e., the power to get rid of lines which they no longer need, which are no longer profitable, and which no longer serve a real public purpose.

Along their main lines, railroads still haul tremendous amounts of freight, almost 40% of the total carried in this country. The railroads carry this freight at an economy of labor

of power, and of disturbance to the environment in the way of air and other pollution. It is in the interest of the nation, of every state, and of every individual to have a strong system of railroad transportation. It is contrary to this interest to single railroads out for taxation of any kind which discriminates against them.

The property tax situation of railroads has been a matter of public concern for a long time. In 1961 a special study group of the Committee of Commerce of the United States Senate stated in its report that railroads were being discriminated

against as compared to other property taxpayers in the same jurisdiction. Not only do railroads pay taxes on their own rights-of-way, an expense not shared by trucks, barge lines and airline companies, but also many states tax these rights-of-way and other properties at a higher rate than they tax other property. This study group recommended certain steps which would have relieved the unusual burden on railroad property. In recent years both the United States Senate and House have considered legislation which would make it a matter of federal interest that railroad property not be taxed higher than other property in the jurisdiction. The fact that several substantial railroads are in deep financial trouble at this time is testimony to the harm which excessive tax burdens can cause. We ask not to be subjected to excessive ad valorem tax burdens in Louisiana.

IV

Louisiana railroad assessments are approximately 25% of market value.

A principal concern to the railroads is a statement, issued by a group of Louisiana assessors, that railroad property is assessed at 4% of value. Perhaps that figure was intended to cover only some particular piece of property, but to the extent that it might be interpreted as the level of Louisiana railroad property in the aggregate, or even the property of any one road, it is erroneous.

The error can be easily seen by a simple mathematical computation. There are 3,753 miles of main and branch line track in Louisiana and using a \$16,000 per mile average assessment, and assuming a 4% level of assessment, the full value would be over \$1.5 billion, or equal to the entire computed full value of railroad property in the States of Arkansas, Mississippi and Texas spread over 20,798 miles of track. The \$1.5 billion Louisiana figure would not include any side, switching or yard tracks, nor any buildings or rolling stock.

The States of Connecticut, Delaware, Minnesota and Pennsylvania exempt either part or all of railroad property or impose a tax on railroads in lieu of property tax. Of the remaining 43 states - Louisiana being excluded - 36 assess railroads at the state level and 7 assess at the local level. There is no common formula or method, but all give consideration to one or more of the common approaches to value: cost, income and market. The market approach is reflected by the current value of railroad capital stock and indebtedness.

Cost of railroad property, whether original, replacement or reproduction, has little validity today as an indicator of

of current market value, unless it is debased to cover the extensive obsolescence which exists in the industry. In many cases valuing a railroad by the cost approach is similar to valuing a harness and buggy manufacturing plant which also was a thriving industry sixty years ago. Sometimes the most valuable thing about a branch line of railroad track is the old copper switch lamps or the big brass switch locks.

The Office of Information and Public Affairs of the Association of American Railroads has compiled various railroad statistics by states. A copy of that report, entitled "Background Material for States" is attached as Exhibit 1.

There is attached as Exhibit 2 a statement showing, for the 43 states, total assessed value and computed full value of all railroad operating property, being track, yards, buildings, rolling stock, maintenance equipment, supplies, etc. Since each state, such as Rhode Island and Texas, obviously does not have the same amount of railroad property the values have been spread on a mileage basis. The miles used are what is known as miles of road - main and branch line. The average full value for those 43 states is \$82,652 per mile. On that same basis Louisiana's average assessed value of \$23,315 would represent a ratio to full value of 28.2 percent.

Louisiana is one of the twelve Southeastern states. The average full value for the other eleven states is \$102,763 per mile, and compared to those Southeastern states Louisiana is assessing at 22.7%.

In an interest of being more regional, the three states

bordering Louisiana - Arkansas, Mississippi and Texas - were grouped together for comparison. The average full value per mile in that case is \$75,093, which indicates that Louisiana is assessing railroad property at 11.0% of full value.

There have been indications during recent years that the Louisiana Tax Commission has endeavored to assess railroad property at 25% of realistic full value. Regardless of whether the comparison is made on a national, regional or neighboring basis, the indication is that the Commission has done a commendable job.

The railroads appreciate this opportunity to meet with the Committee and express their views, and also appreciate the Committee's consideration. We thank you, gentlemen, for your interest.

Statement of Railroad Mileage, Assessed Valuation of Operating Property for Ad Valorem Taxes  
Assessment Ratios, Full Value Determinations, and State and Local Taxes Paid  
Year 1971, for all 48 Continental United States

State	Operated Mileage	Assessment (000 omitted)	Assessment Per Mile	Assessment Ratio (%)	Full Value Determination (000 omitted)	Full Value Per Mile	State and Local	
							Taxes Paid (000 omitted)	Taxes Per Mile
SE Alabama	4,567	\$107,368	\$ 23,510	30	\$ 357,893	\$ 78,365	\$ 6,574	\$1,439
Arizona	2,052	90,694	44,198	60	151,157	73,663	9,761	4,757
N SE Arkansas	3,582	72,244	20,169	20	361,220	100,843	5,267	1,470
California	7,385	335,309	45,404	29	1,156,238	156,566	36,763	4,978
Colorado	3,572	81,470	22,808	30	271,567	76,026	7,348	2,057
Connecticut (1)	664						130	196
Delaware (1)	291						483	1,660
SE Florida	4,157	263,657	63,425	10	263,657	63,425	9,084	2,155
SE Georgia	5,402	147,396	27,285	40	368,490	68,214	8,577	1,583
Idaho	2,668	49,624	18,600	28	177,229	66,428	5,394	2,022
Illinois	10,822	531,119	49,078	50	1,062,238	98,156	35,593	5,289
Indiana	6,405	175,557	27,409	33 1/3	526,671	82,228	17,127	2,674
Iowa	7,903	84,879	10,740	27	314,367	39,778	8,666	1,097
Kansas	7,776	144,114	18,533	30	480,380	61,777	11,705	1,505
SE Kentucky	3,504	417,849	119,249	100	417,849	119,249	4,713	1,345
Maine (2)	1,666	11,603	6,965	51 (3)	22,751	13,656	1,240	742
Maryland	1,110	85,984	77,463	77	111,668	100,602	5,373	4,841
Massachusetts (2)	1,430	37,064	25,919	46 (3)	80,574	56,345	4,648	3,250
Michigan	6,159	190,365	30,908	50	380,730	61,816	10,944	1,777
Minnesota (1)	7,700						16,067	2,087
N SE Mississippi	3,653	50,945	13,946	30	169,817	46,487	4,291	1,175
Missouri	6,337	287,687	45,398	40	719,218	113,495	14,352	2,265
Montana	4,981	43,491	8,731	20	217,455	43,657	7,527	1,511
Nebraska	5,420	84,323	15,558	35	240,923	44,451	5,929	1,094
Nevada	1,574	43,370	27,554	35	123,914	78,726	2,055	1,306
New Hampshire (2)	817	4,674	5,721	54(3)	8,656	10,595	274	335
New Jersey	1,742	150,636	86,473	100	150,636	86,473	8,030	4,610
New Mexico	2,120	60,026	28,314	33 1/3	180,078	84,942	2,851	1,345
New York	5,595	151,845	27,139	50	303,690	54,279	22,207	3,969
SE North Carolina	4,144	180,379	43,528	55	327,962	79,141	6,008	1,450
North Dakota	5,108	43,727	8,560	33 1/3	131,181	25,681	3,594	704
Ohio	7,804	666,229	85,370	55	1,211,325	155,218	28,621	3,667
Oklahoma	5,332	93,032	17,448	35	265,806	49,851	6,398	1,200
Oregon	3,068	249,556	81,342	100	249,556	81,342	6,190	2,018

Statement of Railroad Mileage, Assessed Valuation of Operating Property for Ad Valorem Taxes, (Cont'd)

State	Operated Mileage	Assessment (000 omitted)	Assessment Per Mile	Assessment Ratio (%)	Full Value Determination (000 omitted)	Full Value Per Mile	State and Local	
							Taxes Paid (000 omitted)	Taxes Per Mile
Pennsylvania (1)	8,273	29,885	204,692	55 (3)	54,336	371,795	1,322	\$2,864
Rhode Island (2)	146	24,390	7,973	10	243,900	79,730	4,624	9,055
SE South Carolina	3,059	13,054	3,724	60	21,757	6,207	1,156	1,512
South Dakota	3,214	183,487	57,090	45	407,749	126,867	8,951	330
SE Tennessee	13,563	195,843	14,440	19 (3)	1,030,753	75,997	12,265	2,785
N Texas (2)	1,750	62,549	35,742	28	223,389	127,651	5,552	904
Utah	766	31,169	40,691	32 (3)	97,403	127,158	338	3,173
Vermont (2)	3,895	383,065	98,348	37	1,035,311	265,805	15,527	441
SE Virginia	7,687	92,230	18,873	40	230,575	47,181	6,975	3,984
Washington	3,569	254,541	71,320	58	438,864	122,965	7,208	1,427
SE West Virginia	5,926	183,487	30,963	53 (3)	346,202	58,421	6,453	2,020
Wisconsin (2)	1,812	67,130	37,047	25	268,520	148,190	4,114	1,089
Wyoming								2,270

(1) Railroad property exempt in whole or in part, or another tax imposed in lieu of property tax.

(2) Railroad property locally assessed.

(3) Ratios as published by U. S. Department of Commerce, Bureau of Census.

SE Southeastern States of which Louisiana is a part.

N Neighboring states to Louisiana.

RECAPITULATION

Assessed Values and Assessment Ratios:

36 State Assessment States	183,947	6,457,046	35,102	42.5	15,203,655	82,652		
7 Locally Assessment States	42,746	2,085,321	48,784	47.5	4,392,712	102,763		
43 States	20,798	319,032	15,340	20.4	1,561,790	75,093		
11 Southeastern States								
3 Neighboring States								
Louisiana	3,753	87,503	23,315	( 28.2 Compared to 43 States totaled above				
State and Local Taxes Paid				( 22.7 Compared to 11 Southeastern States			421,968	2,101
47 States	200,875			( 31.0 Compared to 3 Neighboring States			80,824	1,891
11 Southeastern States	42,746						21,823	1,049
3 Neighboring States	20,798						6,751	1,799
Louisiana	3,753							

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on June 4, 1973

Room 306, LSU Law School  
Baton Rouge, Louisiana

Saturday, June 9, 1973, 9:00 a.m.

Presiding: Senator B.B. "Sixty" Rayburn, Chairman of the Committee on Revenue, Finance and Taxation.

Present: Charles A. Badaeux  
Sen. James H. Brown, Jr.  
Walter J. Champagne, Jr.  
Lawrence Chehardy  
David Conroy  
Sen. J.D. De Blieux  
Clyde Pontenot  
Herman "Monday" Lowe  
Dr. Claude Mauberrret, Jr.  
Pegram Mire  
Autley B. Newton  
A.J. Planchard  
Charles E. Roemer, III  
Charles Slay  
Jasper K. Smith  
F.D. Winchester

Absent: John A. Alario, Jr.  
Frank M. Edwards, Jr.  
F.A. McDaniel  
Sen. Samuel B. Nunez, Jr.  
Earl J. Schmitt  
Risley C. Triche

Next, the committee considered Article X, Section 4, paragraph 3. The committee instructed the staff to delete the words "to the value of one thousand dollars" after the words "household property." The staff was also instructed to delete "any property belonging to any military organization of the State used by the State National Guard or militia for military purposes" because this was considered public property.

The staff was instructed to include by motion of Delegate Winchester, an exemption for commercial vessels used for gathering seafood. Motion carried with no objection.

Delegate Conroy made the motion to exempt stocks and bonds, and the motion failed to carry.

Delegates De Blieux, Lowe, and Newton asked for a leave of absence for the meetings to be held next Thursday, Friday, and Saturday. Granted with no objection.

The meeting adjourned at 5:00 p.m.

*B.B. Rayburn*  
CHAIRMAN

VICE CHAIRMAN

SECRETARY

The chairman called the meeting to order at 9:20 a.m.; the roll was called, and a quorum confirmed.

The first order of business considered by the committee was whether to retain in the new constitution the three dollar license plate provision presently in the Louisiana Constitution of 1921, Article VI, Section 22, paragraph (a). After discussion, Delegate Chehardy moved that the three dollar license plate provision be retained in the new constitution. Motion carried with eleven yeas and four nays.

The next order of business considered by the committee was property tax exemptions. The committee began consideration of the exemption contained in Louisiana Constitution of 1921, Article X, Section 4. Under Section 4, paragraph 1, dealing with public property, Delegate Mire moved that the committee adopt the language in paragraph 1 of Section 4 of the present constitution. Motion carried with no objection.

Next, the committee held a general discussion of Article X, Section 4, paragraph 2 of the Louisiana Constitution of 1921, dealing with religious, charitable, and educational property. Delegate Chehardy moved to delete the lines starting with "athletic or physical cultural clubs ... physical and health development." Delegate Lowe moved that the research staff prepare the language on "places of burial" so as to tax those that were organized for profit or income. Motion carried with fourteen yeas and three nays.

June 9, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll* Call						
ALARIO							
BADÉAUX	✓	yes	no	yes			
BROWN	✓	yes	-	no			
CHAMPAGNE	✓	yes	no	yes			
CHEHARDY	✓	yes	yes	no			
CONROY	✓	no	yes	yes			
DEBLIEUX	✓	no	no	yes			
EDWARDS							
FONTENOT	✓	yes	yes	yes			
LOWE	✓		no	yes			
MCDANIEL							
MAUBERRET	✓	yes	no	yes			
MIRE	✓	yes	yes	yes			
NEWTDN	✓		no	yes			
NUNEZ							
PLANCHARD	✓	yes	yes	no			
RAYBURN	✓	yes	no	yes			
ROEMER	✓	no	-	yes			
SCHMITT							
SLAY	✓	yes	no	yes			
SMITH	✓	no	no	yes			
TRICHE							
WINCHESTER	✓	yes	yes	yes			

\*Check mark - Present  
"X" - Absent

Chehardy motion to retain the \$3 license plate. CARRIED - 11-4

Chehardy motion to exempt places of burial. FAILED 9-6

Lowe substitute motion to proceed with work as set out. CARRIED 14-3

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the  
Secretary of the Convention on June 18, 1973  
Committee Room 4, State Capitol Building  
Baton Rouge, Louisiana  
Thursday, June 14, Friday, June 15, and  
Saturday, June 16, 1973, 10:00 a.m.

Presiding: Senator B.B. "Sixty" Rayburn, chairman of  
the Committee on Revenue, Finance and Taxation

Present: John A. Alario, Jr.            Absent: Charles Badeaux  
Sen. James Brown, Jr.                Frank M. Edwards, Jr.  
Walter J. Champagne                 Herman "Monday" Lowe  
Lawrence Chehardy                    F.A. McDaniel  
David Conroy                          Sen. Samuel Nunez, Jr.  
Sen. J.D. De Blieux                  Charles Slay  
Clyde Fontenot                        Jasper K. Smith  
Claude Mauberrret, Jr.                Risley C. Triche  
Pegram Mire  
Autley B. Newton  
A.J. Planchard  
Charles E. Roemer, III  
Earl J. Schmitt, Jr.  
F.D. Winchester

The meeting was called to order by the chairman, and  
a quorum was ascertained.

The committee began discussion on the Subcommittee on  
Revenues, Other Than Property Taxes' proposal on tax structure.

Delegate Roemer offered a motion to adopt Section 1  
of the staff's proposal on the power to tax and public  
purpose. With no objections, the motion carried.

The committee discussed Section 2 of the proposal  
on the power to tax and the limitations involved and  
Delegate Conroy offered a motion to have the first sentence  
of Section 2 read as follows: "The levy of a new tax and  
any increase in an existing tax, and any removal or  
deletion of an existing tax shall require the favorable  
vote of two-thirds of the members elected to each house of  
the legislature." Delegate Schmitt offered a substitute  
motion that would apply not only to the deletion of an  
exemption but also to the addition of an exemption, sub-  
sequent to the time passage of the original act. Both  
motions failed by vote of the committee.

Delegate Mire then offered a substitute motion that  
Section 2 of the proposal be adopted as submitted by the  
subcommittee. Delegate Champagne made a substitute that  
at the end of line 27 after the word "legislature" that  
the phrase "as evidence of recorded vote" be added. The  
substitute motion carried with a 12-3 vote.

Delegate Roemer offered a motion to adopt Section 3 of  
the proposal submitted by the subcommittee. With no objection,  
the motion carried.

The committee then recessed for lunch until 1:30 p.m.

The committee then began discussion on the subcommittee's  
proposal for property tax exemptions. In paragraph 2,  
of Section 1 of the proposal dealing with "places of burial,"  
Delegate Roemer offered a motion to insert the words "for

income or profit" after the word "development" and before  
the word "as." After a lengthy discussion, Chairman Ray-  
burn instructed the staff to reword the paragraph dealing  
with "places of burial" to coincide with the opinions the  
committee had expressed. The following wording was pre-  
pared by the staff for the committee's consideration, dealing  
with "places of burial" in paragraph 3, Section 1 of the  
proposal for property tax exemption. Beginning with line  
14, it would read as follows: "places of burial, and  
property held for any religious denomination or nonprofit  
corporation or organization for burial purposes, but the  
exemption shall not apply to unsold lots, crypts or places  
of burial, nor shall it apply to lands held for development  
as places of burial, when so held for profit." Delegate  
Champagne moved for the adoption of this wording. No  
objection.

The committee then discussed the matter of "all  
personal property" contained in paragraph 3 of Section 1  
of the proposal for property tax exemptions. Delegate  
Alario moved that the word "used" be deleted from the phrase  
"all personal property used in the home or on loan in a  
public place." Delegate Planchard then offered a substitute  
motion that it simply read "household property." Delegate  
Planchard's motion failed to carry. Delegate Chehardy  
offered a motion that the wording in the proposal on  
personal property be accepted. With no objection, the motion  
carried.

-3-

The committee began discussion on the segment dealing  
with "agriculture products, machinery, etc." in paragraph 3  
of Section 1 of the proposal for property tax exemptions.  
Delegate Schmitt offered a motion that the wording on  
agriculture found in the present constitution be adopted.  
Delegate Chehardy offered a substitute motion to adopt  
Section 3 starting with line 12, the word "all" through  
line 13, on page 2 of the proposal for property tax exemptions  
ending with the word "highways." The substitute motion  
carried with a 10-2 vote by the committee.

Delegate Mire offered a motion that the committee  
direct the staff to prepare the language to exempt all  
nonprofit hospitals. Delegate Chehardy then offered a  
substitute motion that hospitals operated for the public  
should be exempt from taxation. This motion failed with a  
5-7 vote and Delegate Mire's motion carried with an 11-2  
vote by the committee.

A motion was made to reword the remainder of paragraph  
3 of Section 1 of the proposal for property tax exemptions.  
With no objection, the motion carried.

Delegate Mire offered a motion that Section 8 of  
Article X be retained as is in the present constitution.  
With no objection, the motion carried.

Delegate Mire offered a motion to defer action on Article X, Section 9 of the present constitution, until the committee has heard the proposal to be presented by the Louisiana Assessor's Association. The motion carried with a vote of 7-6 by the committee.

-4-

The committee adjourned at 4:00 p.m. until 9:00 a.m. the next morning.

The committee reconvened at 9:00 a.m., June 15, 1973.

Presiding: Sen. B.B. "Sixty" Rayburn, chairman of the Committee on Revenue, Finance and Taxation

Present:	John A. Alario, Jr.	Absent:	Charles Badeaux
	Walter J. Champagne		Sen. James Brown, Jr.
	Lawrence Chehardy		Herman "Monday" Lowe
	David Conroy		F.A. McDaniel
	Sen. J.D. De Blieux		Autley B. Newton
	Frank M. Edwards, Jr.		Sen. Samuel Nunez, Jr.
	Clyde Fontenot		Charles Slay
	Claude Mauberret, Jr.		Jasper K. Smith
	Pegram Mire		Risley C. Triche
	A.J. Planchard		
	Charles E. Roemer, III		
	Earl J. Schmitt		
	F.D. Winchester		

After the call to order and a quorum of members present, discussion began on the proposal to make provisions for property tax laws.

Delegate Planchard offered a motion to adopt the language in the present constitution in Article X, Section 4, paragraph 10 and Section 22, relative to new manufacturing establishments, and embody them in our proposal to the convention. Delegate Mauberret then offered a substitute motion to include these four things: 1) to limit the exemption in any case to five years; 2) if a company has enjoyed an exemption previously, the exemption would not be allowed again; 3) and in no case shall the exemption apply to school millage; 4) and a new manufacturing establishment, before it is granted an exemption, would have to have the approval of the local governing authority along with the approval of the governor. After discussion by

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the committee, Delegate Mauberret withdrew the first three points to his motion, leaving the addition of the words "and the local governing authority" to be placed after the word "governor", on the second line of paragraph 10, of Section 4. The motion carried with a 10-3 vote by the committee.

Delegate Champagne offered a motion to delete Section 22 of Article X of the present constitution. The motion carried with a 12-1 vote by the committee.

Delegate Roemer offered a motion for the deletion of paragraphs 12 and 13 of Section 4 of Article X as written in the present constitution. With no objection, the motion carried.

Delegate Schmitt offered a motion to delete paragraph 14 of Section 4 of Article X. With no objection, the motion carried.

Delegate Chehardy offered a motion to delete paragraph 15 of Article X, Section 4. With no objection, the motion carried.

Concerning paragraph 16, of Article X, Section 4, the committee instructed the staff to determine if other sections in the constitution were related to this paragraph. The staff report will be considered later.

Delegate Mire offered a motion to delete paragraph 17 of Article X, Section 4. The motion carried with a 7-5 vote by the committee.

Delegate Schmitt moved that paragraph 18 of Article X, Section 4 be deleted. Delegate Mauberret offered a substitute motion to defer action until the committee could learn

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more about the reasons for the paragraph being in the constitution. The substitute motion carried with an 8-5 vote by the committee.

The committee then recessed for lunch until 1:30 p.m.

The committee asked Mr. Gordon Johnson, Louisiana Tax Commission, to inform the them of the reasons for paragraphs 18 and 19. Delegate Chehardy offered a motion to delete paragraph 19(a) of Section 4, Article X. Delegate Champagne amended the motion to delete paragraph 19 in its entirety. Delegate Champagne then offered a substitute motion to transfer paragraph 19 to the statutes. The substitute motion carried with a 12-1 vote by the committee.

Delegate Champagne offered a motion to defer action on Article X, Section 2 until the committee could hear the assessors' plan. With no objection, the motion carried.

By motion of Delegate Mire, the meeting adjourned at 3:30 p.m.

The committee reconvened at 9:00 a.m., Saturday, June 16, 1973 in the auditorium of the State Library.

Presiding: Sen. B.B. "Sixty" Rayburn, chairman of the Committee on Revenue, Finance and Taxation.

Present:	John A. Alario, Jr.	A.J. Planchard
	Sen. James Brown, Jr.	Charles E. Roemer, III
	Walter J. Champagne	Earl J. Schmitt, Jr.
	David Conroy	Charles Slay
	Sen. J.D. De Blieux	F.D. Winchester
	Frank M. Edwards, Jr.	
	Clyde Fontenot	
	Claude Mauberret, Jr.	
	Pegram Mire	

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Absent: Charles Badeaux  
Lawrence Chehardy  
Herman "Monday" Lowe  
F.A. McDaniel  
Autley B. Newton  
Sen. Samuel Nunez, Jr.  
Jasper K. Smith  
Risley C. Triche

The meeting was called to order, and a quorum was ascertained.

Delegate Champagne offered a motion that the committee adopt Article X, Section 5 as in the present constitution, and coordinate with the Committee on Local and Parochial Government.

Senator De Blieux offered a motion to delete Article X, Section 5.1 unless it should be maintained to protect bondholders. The staff was instructed to research Article X, Section 5.1 to determine if bondholders would be protected if the section was deleted. With no objection, the motion carried.

Senator De Blieux offered a motion to delete Article X, Section 6. With no objection, the motion carried.

Delegate Roemer offered a motion that Article X, Section 7 be deleted from the constitution. The motion carried with a 12-2 vote by the committee.

Delegate Champagne offered a motion to insert in the staff's proposal on tax structure in Article \_\_\_\_, Section 5, paragraph (C) after the word "state" on line 5, the words "except in the case of liquor." Delegate Fontenot offered a substitute motion that the wording in the present constitution found in Article X, Section 8 be retained with the

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deletion of the sentence on line 6 beginning with the word "such" and ending with the word "progressive," and deleting the words on line 10 beginning with the word "but" and ending with the word "authorize." Delegate Fontenot's motion also asked that the committee vote on each sentence of Section 5 separately. After a lengthy discussion by the committee, Delegate Fontenot withdrew his motion and Delegate Roemer offered a motion to delete Section 8 of Article X from the present constitution, seconded by Delegate Schmitt. The motion carried with an 11-2 vote by the committee.

The committee then began discussion of the next meeting dates. Delegate Champagne offered a motion that the committee meet Friday, June 22, and Saturday, June 23. With no objection, the motion carried. Delegate Roemer offered a motion that we not only meet Friday and Saturday, but we meet Tuesday through Saturday of the following week, until the committee finishes their business. The motion failed to carry.

Delegate Alario offered a motion that the committee meet not only Friday, June 22, and Saturday, June 23, but also Monday, June 25, 1973 or until the committee finishes their business. The motion carried with a 7-5 vote by the committee. The chairman ruled that the meetings would begin at 10:00 a.m. each day.

Delegate Roemer offered a motion that Article X, Section 9 be deleted. With no objection, the motion carried.

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The committee decided to defer action on Sections 10, 10(a), 10(b), and 11 of Article X.

Delegate Champagne offered a motion that Section 14 of Article X be referred to the Committee on Local and Parochial Government. With no objection, the motion carried.

Delegate Winchester offered a motion that Section 15 of Article X be deleted. With no objection, the motion carried.

Delegate Fontenot offered a motion that the committee defer action on Section 16 of Article X until the assessors' plan has been heard by the committee. Delegate Schmitt offered a substitute motion to delete Section 16. The substitute motion carried with a vote of 10-1 by the committee.

Delegate Conroy offered a motion that Section 17 of Article X be deleted. With no objection, the motion carried.

The committee decided to defer action on Section 20 of Article X until later.

Delegate Roemer offered a motion that Section 21 of Article X be the first order of business at the next meeting. The research staff was instructed to have several speakers from the oil, timber, and sulphur industries to speak on severance taxes. With no objection, the motion carried.

Delegate Roemer offered a motion to delete Section 24 of Article X. With no objection, the motion carried.

By motion of Delegate Roemer, the meeting adjourned at 12:45 p.m.

  
CHAIRMAN

VICE CHAIRMAN

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Voting occurred on Subcommittee on Property Taxes' proposal on property tax exemptions.  
June 14, 1973  
COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll Call						
ALARIO	✓		no	yes	no	yes	
BADFAUX							
BROWN	✓		no	yes	--		
CHAMPAGNE	✓	no	no	yes	yes	yes	
CHEHARDY	✓	yes	no	yes	no	yes	
CONROY	✓	no	yes	yes	yes	yes	
DE BLIEUX	✓	no	no	no			
EDWARDS							
FONTENOT	✓	no	yes	yes	yes	yes	
<del>GOVERNOR</del>							
LOWE							
MCDANIEL							
MAUBERRET	✓	yes	yes	yes	no	yes	
MIRE	✓	no	no	yes	no	yes	
NEWTON	✓	no	no	no	no	no	
NUNEZ							
PLANCHARD	✓	no	no	yes	yes	yes	
RAYBURN	✓	no	no	yes	no	yes	
ROEMER	✓	no	yes	no	yes	--	
SCHMITT	✓	yes	no	yes	yes	no	

SLAY						
SMITH Triche WINCHESTER	✓	no	no	yes	no	yes

Schmitt sub. mot. on Section 2. FAILED 3-10  
Conroy original motion on Section 2. FAILED 4-11  
Champagne sub. mot. amend. to Sect. 2 CARRIED 12-3  
Plancharde sub. mot. amend. to Sect. 1. FAILED 6-7  
Chehardy sub. mot. to adopt \$3 CARRIED 10-2

LOWE						
McDANIEL						
MAUBERRET	✓	yes	yes	no	yes	yes
MIRE	✓	yes	yes	yes	yes	yes
NEWTON						
NUNEZ						
PLANCHARD	✓	yes	yes	no	yes	yes
RAYBURN	✓					
ROEMER	✓	yes	yes	no	no	yes
SCHMITT	✓	yes	yes	no	no	no

SLAY						
SMITH Triche WINCHESTER	✓	yes	yes	yes	yes	yes

Mauberrret sub. mot. on Art. X, \$4, \$10 and \$22 CARRIED 10-3  
Champagne mot. to delete \$25 of Art. X CARRIED 12-1  
Mire mot. to delete Art. X, \$4, \$17. CARRIED 7-5  
Mauberrret sub. mot. to defer action on Art. X, \$4, \$18. CARRIED 8-5  
Champagne sub. mot. to transfer \$19 of Art. X, \$4 to statutes CARRIED 12-1

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll Call					
ALARIO		yes	yes	no	yes	
BADEAUX						
BROWN						
CHAMPAGNE		no	yes	no	no	
CHEHARDY		yes	yes	no	no	
CONROY		no	no	no	yes	
DE BLIEUX						
EDWARDS						
FONTENOT		abstained	yes	no	yes	
<del>XXXXXXXX</del>						
LOWE						
McDANIEL						
MAUBERRET		no	yes	no	no	
MIRE		yes	yes	no	yes	
NEWTON		no	yes	no	no	
NUNEZ						
PLANCHARD		no	yes	no	no	
RAYBURN		no	yes	no	yes	
ROEMER		yes	no	no	yes	
SCHMITT		no	yes	yes	no	
SLAY						
SMITH Triche WINCHESTER		yes	yes	no	yes	yes

Chehardy sub. mot. to exempt hospitals operated for public. FAILED 5-7  
Mire original motion to exempt all non profit hospitals. CARRIED 11-2  
Schmitt sub. mot. for Mire to mail copy of Assessor's Plan to each delegate. FAILED 12-1  
Mire original motion to delay action on Art. X \$9 until report of Assessor's Assoc. is given. CARRIED 7-6

June 16, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll Call					
ALARIO	✓	no	yes	no	yes	yes
BADEAUX						
BROWN	✓	yes	yes	no	no	no
CHAMPAGNE	✓	yes	yes	yes	yes	no
CHEHARDY						
CONROY	✓	no	no	no	no	yes
DE BLIEUX	✓	yes	yes	--	--	yes
EDWARDS	✓	yes	--	--	--	--
FONTENOT	✓	yes	no	no	no	no
<del>XXXXXXXX</del>						
LOWE						
McDANIEL						
MAUBERRET	✓	yes	yes	yes	yes	yes
MIRE	✓	yes	yes	no	yes	yes
NEWTON						
NUNEZ						
PLANCHARD	✓	yes	yes	no	yes	yes
RAYBURN	✓					
ROEMER	✓	yes	yes	yes	no	yes
SCHMITT	✓	yes	yes	yes	no	yes
SLAY	✓	yes	yes	no	yes	yes
SMITH Triche WINCHESTER	✓	yes	yes	yes	yes	yes

Roemer mot. to delete Art. X, \$7. CARRIED 12-2  
Roemer mot. to delete Art. X, \$8. CARRIED 11-2  
Roemer mot. on next meeting dates. FAILED 5-7  
Alario mot. on next meeting dates. CARRIED 7-5  
Schmitt sub. mot. to delete Art. X, \$16. CARRIED 10-3

June 15, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll Call					
ALARIO	✓	yes	yes	yes	yes	yes
BADEAUX						
BROWN						
CHAMPAGNE	✓	no	yes	yes	no	yes
CHEHARDY	✓	yes	yes	no	yes	yes
CONROY	✓	yes	yes	yes	yes	yes
DE BLIEUX	✓	no	yes	yes	no	yes
EDWARDS	✓	yes	yes	yes	yes	yes
FONTENOT	✓	no	no	yes	no	yes
<del>XXXXXXXX</del>						

3 Introduced by

4 A PROPOSAL

5 For tax structure.

6 PROPOSED SECTIONS:

7 Article \_\_\_\_, Section 1. Power to Tax; Uniformity;

8 Public Purpose

9 Section 1. The power of taxation shall be vested  
10 in the legislature and shall never be surrendered,  
11 suspended, or contracted away. All taxes shall be  
12 uniform within each class and imposed for public  
13 purposes only.

14 Source: La. Const. Art. X, §1, ¶1 (1921).

15 Comment: Continues the existing provision vesting the taxing  
16 authority in the legislature and stipulating that  
17 taxes shall be uniform within each class and imposed  
18 only for public purposes. Remainder of the source  
19 provision is covered by the property tax provision.

20 Section 2. Power to Tax; Limitation

21 Section 2. The levy of a new tax and any increase  
22 in an existing tax shall require the favorable vote  
23 of two-thirds of the members elected to each house of  
24 the legislature. A like vote shall be necessary for the  
25 adoption of amendments to bills proposing the same and  
26 to reports of conference committees.

27 Source: La. Const. Art. III, §25.1; Art. X, §1(a) (1921).

28 Comment: Requires two-thirds vote on all tax matters, thus  
29 making no substantive change in the present law.

1 Section 3. Collection and Refund of Taxes

2 Section 3. The collection of taxes shall not be  
3 restrained, and procedures shall be provided for the  
4 recovery of taxes illegally paid.

5 Source: La. Const. Art. X, §18 (1921).

6 Comment: This provision is substantially the same as  
7 Art. X, §18, La. Const. 1921.

8 Section 4. Resource Severance Fund

9 Section 4. Three-fourths of the timber severance  
10 tax, one-third of the sulphur severance tax, one-  
11 fifth of the tax on all other natural resources, and

12 one-tenth of the royalties from mineral leases granted  
13 by the state shall be remitted to the governing authority  
14 of the parish from which the natural resources were  
15 severed; however, the amount of severance tax on  
16 mineral's so remitted shall not exceed two hundred  
17 thousand dollars annually.

18 Source: La. Const. Art. X, §§1, 21; Art. IV, §2, ¶3 (1921).

19 Comment: Continues the existing dedication of a portion of  
20 the revenue from severance taxes and mineral royalties  
21 to parishes from which severed. Deletes the existing  
22 requirement that limitation royalties be used for  
23 transportation purposes.

24 Section 5. Limitations on Taxing Power; Graduated Rates,  
25 Severance Tax, and Subdivisions of the State

26 Section 5. (A) Taxes on income shall be graduated  
27 according to the amount of net income.

28 (B) Severance taxes shall be the only tax on  
29 natural resources.

1 (C) Subdivisions of the state. Political subdivisions  
2 of the state shall not levy taxes on income, natural  
3 resources, or motor fuel, nor shall any occupational  
4 license tax levied by any political subdivision be  
5 greater than that imposed by the state.

6 Source: La. Const. Art. X, §§1 ¶2, 5, 8, 21;  
7 §24.1 (1921).

8 Comment: Provides for limitation on taxes on incomes,  
9 severance taxes, and taxing power of political subdivisions  
10 Requires that taxes on incomes be graduated as present  
11 law does. The words "equal" and "uniform" have been  
12 eliminated since they are ambiguous when used in  
13 providing for a graduated income tax. The references  
14 to exemption have been eliminated because "...the power  
15 to exempt from taxation, as well as the power to tax,  
16 is an essential attribute of sovereignty, and are  
17 generally granted only when and to the extent that  
18 they may be deemed to conserve the general welfare.  
19 The power to exempt may be exercised in the constitution  
20 or in a statute, unless the constitution expressly  
21 or by implication prohibits action by the legislature  
22 on the subject." 84 C.J.S. 414-415.

23 Also, reference to the income tax schedule of rates  
24 has been deleted which gives the legislature greater  
25 flexibility in establishing the tax rate and base for  
26 the state income tax schedule.

27 The limitation on severance taxes on natural re-

sources represent no substantive change in the present law. The \$1.03 per ton tax ceiling on sulphur is deleted since it is already statutory law. La. R.S. 47:633.

The limitation on the taxing power of political subdivisions has been expanded to include a prohibition of the taxing of incomes. The prohibition against

political subdivisions taxing natural resources and motor fuel represents no change in the present law. The limitation in occupational license taxes has been changed to include alcoholic beverages. Art. X, §8.

agricultural purposes, and all animals on the farm, and property belonging to agricultural fair associations; all property used for cultural or civic activities and not operated for profit to the owners; all ocean-going vessels engaged in international trade and domiciled in Louisiana ports, but this exemption shall not apply to harbor, wharf, shed, and other port dues, and no vessel operated in the coastal trade of the continental United States shall be within the exemption herein granted; boats using gasoline as motor fuel; commercial vessels used for gathering seafood; and rights of way granted to the State Department of Highways.

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

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

Committee Room 5, State Capitol Building  
Baton Rouge, Louisiana  
Friday, June 22, 1973, 10:00 a.m.

Presiding: Senator B.B. "Sixty" Rayburn, Chairman

Present: Mrs. Carolyn Badaeux  
Sen. James Brown  
Walter Champagne  
David Conroy  
Sen. J.D. De Blieux  
Frank Edwards  
Clyde Fontenot  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mauberrert  
Pegram Mire  
Autley Newton  
Sen. Samuel Nunez  
A.J. Planchard  
Charles E. Roemer, III  
Earl J. Schmitt, Jr.  
Charles Slay  
Jasper K. Smith  
F. D. Winchester

Absent: John A. Alario, Jr.  
Lawrence Chehardy  
Risley C. Triche

The chairman called the meeting to order and a quorum was ascertained. In compliance with the committee's wishes several speakers were invited to make presentations to the committee at this time.

The chairman introduced the first speaker, Bertris Young of Bogalusa, who gave a brief summary of his association with forestry in his area.

The next speaker was Burton Weaver of Flora, who urged the committee to retain Article X, Section 1, as written in the present constitution, stating it was a "cornerstone" in the forestry field.

The next speaker was Jim Gale, president of the La. Forestry Association, who stated that the present tax laws pertaining to forestry were working successfully and advised

CC-

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For property tax exemptions.

6 PROPOSED SECTIONS:

7 Article \_\_\_\_, Section \_\_\_\_. Exemptions from Property  
8 Taxation

9 Section \_\_\_\_. The following property, and no  
10 other, shall be exempt from taxation:

11 1. All public property.

12 2. Places of religious worship; property  
13 owned by religious denominations and used as resi-  
14 dences for ministers; places of burial, but not lands  
15 held for development as places for burial or lots  
16 or crypts not yet sold; property devoted to public  
17 charity; schools and colleges; however, the exemption  
18 shall extend only to the property and grounds there-  
19 unto appurtenant which are used for any one of the  
20 abovementioned purposes and which are not leased or  
21 held for profit or income.

22 3. Cash on hand or deposit; obligations  
23 secured by mortgage or property located in Louisiana  
24 and the notes or other evidence thereof; loans by  
25 life insurance companies to policy holders, if secured  
26 solely by their policies; the legal reserve of  
27 domestic life insurance companies; loans by homestead  
28 or building and loan associations to their members,  
29 if secured solely by stock of said associations; debts  
30 due for merchandise or other articles of commerce or  
31 for services rendered; obligations of the state or its  
32 political subdivisions; all personal property used  
33 in the home or on loan in a public place; agricultural  
34 products while owned by the producer, agricultural  
35 machinery and other implements used exclusively for

that Louisiana ranks third in the production of plywood and paper and in the top fifteen in the production of lumber in the United States and urged the retention of the present constitutional provisions.

The next speaker was CC/73 Delegate Pete Hernandez of Leesville, who stated that the extensive lumber industry in Louisiana supported industry and thereby provided jobs in this field. Delegate Hernandez presented a resolution on behalf of the Vernon Parish Police Jury urging the retention of the provision of Article X, Section 1, of the present constitution as revised by Act No. 759 of 1954, regarding severance taxes on timber. (See Attachment)

The next speaker was Bill Matthews, associated with the La. Forestry Association, who also urged the retention of Article X, Section 1. In answer to a question by one of the committee members, Mr. Matthews informed the committee that \$2.2 million was yielded each year from severance taxes on timber.

The next speaker was Earl Willis, of St. Martinville,

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a representative of the La. Land and Royalty Owners Association. Mr. Willis spoke briefly on Article X, Section 21, and urged the retention of this provision and in particular paragraph (1). Mr. Willis was asked to explain the association, which has been in existence since 1963, and its membership; and he stated that it was a nonprofit corporation which represented 60 of the 64 parishes throughout the state and membership is composed of owners of timber land. (See attachment)

After the committee reconvened from lunch at 1:30 p.m., the chairman recognized the next speaker, Robert Brookshire, who represented Mid-Continental Oil. Mr. Brookshire stated that Mid-Continental Oil was responsible for 92% of the marketing of all oil and gas in the state of Louisiana. Mr. Brookshire introduced Milton Duvilieh, an attorney for Mid-Continental Oil, who presented a proposal relative to severance tax and urged the adoption of this proposal as presented by Mid-Continental. He remarked the tax rate in Louisiana was higher than the combined ad valorem and severance tax in any other state. (See attachment)

Discussion was held by the committee on Article X, Section 21 of the La. Const. of 1921. Due to the committee's indecision Delegate Brown offered a motion to adjourn to let the Subcommittee on Revenues Other Than Property Taxes meet and finish their report, and the whole committee would meet again Saturday at 10:00 a.m. Delegate Brown's motion carried with a 13-6 vote by the committee.

The meeting adjourned at 3:30 p.m.

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The committee reconvened at 10:00 a.m., June 23, 1973, in Committee Room 5 of the State Capitol. Delegate Roemer, secretary of the Committee on Revenue, Finance and Taxation, presided and the following delegates were present:

PRESENT:	John A. Alario, Jr.	ABSENT:	Lawrence Chehardy
	Mrs. Carolyn Badeaux		Sen. Samuel Nunez, Jr.
	Sen. James Brown, Jr.		Sen. B. B. Rayburn
	Walter Champagne		Risley C. Triche
	David Conroy		
	Sen. J. D. De Blieux		
	Frank Edwards, Jr.		
	Clyde Fontenot		
	Herman "Monday" Lowe		
	J. A. McDaniel		
	Dr. Claude Mauberret, Jr.		
	Pegram Mire		
	Autley B. Newton		
	A. J. Planchard		
	Charles E. Roemer, III		
	Earl J. Schmitt		
	Charles Slay		
	Jasper K. Smith		
	F. D. Winchester		

The meeting was called to order and a quorum was ascertained. Delegate Roemer presided until Vice Chairman Edwards arrived at the meeting.

Delegate Brown presented the report from the Subcommittee on Public Finance, CC-234 Revised. Brown was assisted in the presentation by Delegate Roemer and James Norris. Each section of the report was discussed by the committee.

Delegate De Blieux requested a leave of absence for the meeting after the lunch break and the meetings scheduled for the rest of the week.

After the lunch recess, discussion of CC-234 Revised was resumed.

Delegate Planchard moved that if there is no further

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business, the meeting be adjourned. This motion was not recognized by the chair.

Delegate Brown made two suggestions:

1. The committee should vote on the proposal, CC-234 Revised, on Monday morning, June 25, 1973.
2. The committee should hear the report from the Subcommittee on Revenues Other Than Property Taxes and compare the two reports.

Delegate Conroy moved that the committee hear the report from the Subcommittee on Revenues Other Than Property Taxes on Monday, June 25, 1973, if it is ready. If it is not ready, the committee should vote on CC-234 Revised on Monday, June 25, 1973.

YES

NO

Badeaux  
Brown  
Champagne  
Conroy  
Edwards  
Fontenot  
Lowe  
McDaniel  
Mauberret  
Mire  
Newton  
Planchard  
Roemer  
Schmitt  
Slay  
Smith  
Winchester

The motion carried.

Delegate Schmitt made a substitute motion: The committee

should begin voting on CC-234 Revised at this meeting.

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Smith moved to table the substitute motion.

<u>YES</u>	<u>NO</u>	<u>PASS</u>
Badeaux	Schmitt	Champagne
Brown		
Conroy		
Edwards		
Fontenot		
Lowe		
McDaniel		
Mauberrret		
Mire		
Newton		
Planchard		
Roemer		
Slay		
Smith		
Winchester		

The motion carried.

Delegate Mire made a substitute motion: The committee should vote on the report from the Subcommittee on Public Finance on Monday morning, June 25, 1973. He withdrew his motion.

Delegate Smith offered an amendment: The committee should vote on the proposal on Wednesday, June 27, 1973, instead of Monday, June 25, 1973. This amendment was not accepted by the chair.

Delegate McDaniel asked for a leave of absence from two previous meetings he had missed and the meetings on June 25 and 26, 1973.

Delegate McDaniel moved to devote Thursday, June 28, 1973, to any hearings regarding ad valorem taxes other than home ownership.

Discussion was held on the business of the committee for the meetings to be held the next week.

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Delegate Fontenot made a substitute motion: The committee hear the report from the Subcommittee on Revenues Other Than Property Taxes and vote on it Monday and Tuesday, June 25 and 26, 1973. The committee should then hear the report from the Subcommittee on Public Finance and vote on it on Wednesday and Thursday, June 27 and 28, 1973. Friday, June 29, 1973, should be designated for hearings.

With no objections, the motion carried.

Delegate Mire moved to adjourn. With no objections, the motion carried and the meeting adjourned at 3:50 p.m.

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The committee reconvened at 10:00 a.m., June 25, 1973, in Committee Room 5 of the State Capitol. Sen. Rayburn, chairman of the Committee on Revenue, Finance and Taxation

presided and the following delegates were present:

PRESENT: John A. Alario, Jr.	ABSENT: Sen. James Brown
Mrs. Carolyn Badeaux	Sen. J.D. De Blieux
Walter Champagne	J.A. McDaniel
Lawrence Chehardy	Sen. Samuel Nunez
David Conroy	Earl J. Schmitt
Frank Edwards, Jr.	Risley C. Triche
Clyde Fontenot	
Herman "Monday" Lowe	
Dr. Claude Mauberret	
Pegram Mire	
Autley Newton	
A.J. Planchard	
Charles E. Roemer, III	
Charles Slay	
Jasper K. Smith	
F.D. Winchester	

The meeting was called to order and a quorum was ascertained.

The committee began discussion on whether to request any further speakers to come before the committee. Delegate Conroy offered a suggestion that the committee hear speakers Tuesday on taxes other than ad valorem taxes and then Friday hear speakers on ad valorem taxes. There being no objection, it was so ordered.

Dr. Claude Mauberret, vice chairman of the Subcommittee on Revenues Other Than Property Taxes, began the presentation of their report to the committee. Article XIX, Section 8 was discussed first, which the committee was to coordinate with the Committee on Legislative Powers and Functions. Delegate Newton offered a motion to defer action until the convention as a whole meets. There being no objection the motion carried.

Delegate Chehardy offered a motion that the committee accept the Subcommittee on Revenues Other Than Property Taxes' proposal, CC-235 Revised, as written except for those provisions

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pertaining to income taxes and inheritance taxes, which as the motion stated were to be retained and written as in the previous constitution. Delegate Smith offered a substitute motion for the committee to proceed with discussion on the chart and proposal prepared by the subcommittee. The substitute motion carried with a 10-5 vote by the committee.

Delegate Smith offered a motion that Section 2 of CC-235 Revised be adopted to replace Article IV, Section 25.1 and Article X, Section 1 (a) of the La. Const. of 1921. Delegate Conroy offered an amendment in the form of a substitute motion to Section 2 of CC-235 Revised which would delete on lines 22 and 23 of page 1 the words "and any increase in an existing tax" and submit in lieu thereof the words "any increase in an existing tax and any repeal of an existing exemption from a tax." Delegate Conroy's substitute motion carried with a 9-6 vote by the committee. There being no objection to the adoption of Section 2 as amended of CC-235 Revised, it was so ordered.

The committee then began discussion on Article IV, Section 2 of the 1921 Constitution. Delegate Champagne moved that action be deferred until after the Subcommittee on Public Finance's report is heard. Delegate Smith offered a substitute motion that Section 2, paragraph (C) of Article IV of the 1921 Constitution be placed in the statutes. There being no objection, Delegate Smith's substitute motion carried.

Delegate Slay offered a motion that paragraph (D) of Section 2, Article IV of the 1921 Constitution be placed in the statutes. There being no objection, it was so ordered.

The committee then discussed Article IV, Section 4,

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paragraphs 10, 15, and 17 of the 1921 Constitution. Delegate Conroy offered a motion to retain the prohibitions against local and special laws. There being no objection, the motion carried.

Delegate Conroy offered a motion to defer action on Article IV, Section 13 of the 1921 Constitution until the other subcommittee's report had been presented. There being no objection, it was so ordered.

Delegate Slay offered a motion on Article VI, Section 2, paragraph 1 of the 1921 Constitution to follow the recommendations of the Committee on Natural Resources and Environment. Delegate Fontenot offered a substitute motion that Section 7 of CC-235 Revised, relative to Article VI, Section 2, paragraph 1 of the 1921 Constitution be deleted and to conform with the intent of the proposal submitted by the Committee on Natural Resources and Environment. Delegate Fontenot's substitute motion failed with a vote of 10-3 by the committee. Delegate Newton then offered a substitute motion that the committee not adopt Section 7 of CC-235 Revised and it not be included in the report to the convention. Delegate Newton's substitute motion failed with a vote of 9-4 by the committee. Delegate Alario offered a substitute motion to defer action on this section at this time. There being no objection, it was so ordered.

Delegate Champagne offered a motion to place Article VI, Section 20 of the 1921 Constitution in the statutes. There being no objection, it was so ordered.

Delegate Planchard offered a motion that the recommendations of the subcommittee on Article VI, Section 22 of the 1921 Constitution be adopted. Delegate Smith offered a substitute

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motion that the three dollar license plate be put in the statutes. The substitute motion failed with an 11-3 vote by the committee. Delegates Edwards, Alario, and Chehardy offered an amendment to Section 6 of CC-235 Revised, page 4, line 6, to add after the word "all." the words "No parish or municipality may impose any license fee on motor vehicles." The amendment was adopted with no objection.

Delegate Champagne offered a motion that the recommendations of the subcommittee be followed in placing Article VI, Section 23 of the 1921 Constitution (¶ relevant to the committee) in the statutes. There being no objection, it was so ordered.

Delegate Champagne offered a motion that Article VI, Section 25 of the 1921 Constitution be placed in the statutes, as the subcommittee had recommended. There being no objection, it was so ordered.

Delegate Slay offered a motion that Article VI, Section 26 of the 1921 Constitution be placed in the statutes, as recommended by the subcommittee in their report. There being no objection, it was so ordered.

Delegate Mire offered a motion to follow the subcommittee's recommendation and place Article VI-A, Sections 1-14 of the 1921 Constitution in the statutes. There being no objection, it was so ordered.

Delegate Champagne offered a motion that Section 1 of CC-235 Revised, relative to Article X, Section 1, paragraph 1, be adopted as submitted. There being no objection, it was so ordered.

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Delegate Alario offered a motion that action be deferred on Article X, Section 1, paragraph 2 of the 1921 Constitution. There being no objection, it was so ordered.

Delegate Fontenot offered a motion that Article X, Section 1, paragraph 4 of the 1921 Constitution be deleted. There being no objection, it was so ordered.

The committee decided to defer action on Article X, Section 1, paragraph 5 of the 1921 Constitution until later.

Delegate Conroy offered a motion to defer action on Section 5 of CC-235 Revised, relative to Article X, Section 1, paragraph 6 of the 1921 Constitution. There being no objection, it was so ordered.

Delegate Champagne offered a motion to follow the subcommittee's recommendation of deleting Article X, Section 5.1. There being no objection, it was so ordered.

Delegate Conroy offered a motion to defer action on Article X, Sections 6 and 7 of the 1921 Constitution. There being no objection, it was so ordered.

The committee decided to defer action on Article X, Section 8 of the 1921 Constitution also.

Delegate Smith offered a motion that the subcommittee's recommendation be followed in deleting Article X, Section 9 of the 1921 Constitution. There being no objection, it was so ordered.

Delegate Planchard offered a motion to adopt Section 3 of CC-235 Revised, relative to Article X, Section 18 of the 1921 Constitution. Delegate Conroy offered an amendment to Section 3 in the form of a motion to delete on page 2, line 2 the words "taxes illegally paid." and substitute in lieu thereof the words

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"illegal taxes." There being no objection to the amendment, it was adopted.

Delegate Conroy asked that Article X, Section 21, paragraphs 1 and 2 of the 1921 Constitution be deferred. There being no objection, it was so ordered.

Delegate Chehardy offered a motion to follow the subcommittee's recommendation in placing Article X, Section 24

of the 1921 Constitution in the statutes. There being no objection, it was so ordered.

The committee decided to defer action on Article XII, Sections 15 and 16, and also Article XIV, Section 7, 8, 14 (b.2), 14 (m.1), and 14 (p) of the 1921 Constitution.

Delegate Smith offered a motion that Article XIV, Section 21 of the 1921 Constitution be deleted. There being no objection, it was so ordered.

The committee decided to defer action on Article XIV, Section 24.1 of the 1921 Constitution, relative to Section 5 of CC-235 Revised. There being no objection, it was so ordered.

Delegate Smith offered a motion to follow the subcommittee's recommendation on Article XIV, Sections 24.6 and 24.17 of the 1921 Constitution to place them in the statutes. There being no objection, it was so ordered.

Delegate Smith offered a motion to adopt Article XIX, Section 8, although the subcommittee had made no recommendation. Delegate Newton offered a substitute motion to adopt the subcommittee report of having taken no action. Delegate Newton's substitute motion carried with a 10-4 vote by the committee.

Delegates Slay and Edwards asked for a leave of absence for Tuesday and Wednesday and Delegate Newton asked for a leave

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of absence for Tuesday and it was granted.

Delegate Mire moved to adjourn at 4:15 p.m.

The committee reconvened at 10:00 a.m., June 26, 1973, in Committee Room 5 of the State Capitol. Sen. Rayburn, chairman of the Committee on Revenue, Finance and Taxation presided and the following delegates were present:

PRESENT: John A. Alario, Jr.  
Mrs. Carolyn Badeaux  
Walter Champagne  
David Conroy  
Herman "Monday" Lowe  
Dr. Claude Mauberret  
Pegram Mire  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Earl J. Schmitt, Jr.  
Jasper K. Smith  
F.D. Winchester

ABSENT: Sen. James Brown, Jr.  
Lawrence Chehardy  
Sen. J.D. De Blieux  
Frank Edwards  
Clyde Fontenot  
J.A. McDaniel  
Autley Newton  
Charles E. Roemer, III  
Charles Slay  
Risley C. Triche

The meeting was called to order by the chairman, and a quorum was ascertained.

The committee began discussion on Article VI, Section 2, paragraph 1, dealing with forestry, of the 1921 Constitution. Delegate Alario offered an amendment to Section 7 of CC-235 Revised, relative to Article VI, Section 2, paragraph 1, to add at the end of line 13, page 4, after the word "Forestry" the following: "shipbuilding, strawberry farming, shipping, fishing, crabbing, insulation board making, dairy farming, pirogue building, candle making, all forms of farming, funeral homes, and hospitals". Delegate Alario's amendment failed with a 9-4 vote by the committee. It was decided to defer action until later on Article VI, Section 2, paragraph 1 of the 1921 Constitution.

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The committee reconvened at 1:30 p.m. after a recess for lunch.

A presentation was made at this time by Mr. Edward S. Reed, director for the Port of New Orleans, who urged that the port be allowed to maintain its present method of financing.

The committee then heard a presentation made by Mr. Bob McHale and Mr. Fred Benton, Sr. from the Lake Charles Harbor and Terminal District. They also asked that the Lake Charles Harbor be excluded from budgetary control.

A presentation was made next by Mr. Emil Comar, Executive Director of the La. Catholic Conference, who urged that nonprofit hospitals be exempt from taxation in the new constitution.

Delegate Smith offered a motion for adjournment at 4:10 p.m. There being no objection, the motion carried.

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The committee reconvened at 10:00 a.m., June 27, 1973, in Committee Room 5 of the State Capitol. Sen. Rayburn, chairman of the Committee on Revenue, Finance and Taxation presided and the following delegates were present:

PRESENT: John A. Alario, Jr.  
Mrs. Carolyn Badeaux  
Sen. James Brown, Jr.  
Walter Champagne  
Lawrence Chehardy  
David Conroy  
Frank Edwards, Jr.  
Clyde Fontenot  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mauberret, Jr.  
Pegram Mire  
Autley Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Charles E. Roemer, III  
Earl J. Schmitt  
Jasper K. Smith  
F.D. Winchester

ABSENT: Sen. J.D. De Blieux  
Charles Slay  
Risley C. Triche

The meeting was called to order by the chairman, and a quorum was ascertained.

Discussion began on Section 5 of CC-235 Revised and Delegate Chehardy offered a motion that Article X, Section 1, paragraph 2, dealing with income taxes of the present constitution be retained verbatim in the new constitution. Delegate Roemer offered a substitute motion to table the original motion and called for the question. The substitute motion carried with a 9-6 vote by the committee.

Delegate Lowe offered an amendment in the form of a motion to substitute the following wording in place of paragraph (A) of Section 5 of CC-235 Revised on page 2: "Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the amount of net taxable income."

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This amendment failed with a 13-6 vote by the committee.

Delegate Conroy offered a motion for the adoption of his amendment to Section 5, paragraph (A) which would read as follows: "Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the

amount of net income." There being no objection, this amendment was adopted.

Delegate Planchard offered an amendment in the form of a motion on Section 5, paragraph (A), page 2 of CC-235 Revised. With this amendment the paragraph would read as follows:

"Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the amount of net income. Individual income tax rates shall not be imposed at rates greater than those presently in effect." Chairman Rayburn offered an amendment in the form of a substitute motion to Section 5, paragraph (A) on page 2 of CC-235 Revised which would change paragraph (A) to read as follows: "The state individual income tax rate shall be 2 percent on the first \$10,000 taxable income for single return or \$20,000 taxable income for joint return. Tax rates on all other taxable income shall be determined by law." Delegate Rayburn's amendment failed with an 11-6 vote by the committee. Delegate Planchard's amendment carried with a 10-8 vote by the committee.

The committee reconvened from a recess for lunch at 1:30 p.m.

Delegate Conroy offered an amendment in the form of a motion to Section 5, paragraph (A) on page 2 of CC-235 Revised which would change it to read as follows: "Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the amount of net income. Taxes upon

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inheritances, legacies, gifts, and estates may be classified and graduated according to amount. Income taxes on individuals, and inheritance, gift, and estate taxes shall not be imposed at rates greater than those presently in effect." This amendment failed with a 10-8 vote by the committee.

Delegate Conroy offered another amendment in the form of a motion to Section 5, paragraph (B), page 2 of CC-235 Revised which would change paragraph (B) to read as follows: "Taxes may be levied on natural resources severed from the soil or water, to be paid proportionately by the owners thereof at the time of severance. Natural resources may be classified for the purpose of taxation and such taxes may be predicated upon either the quantity or value of the products at the time and place of severance. No further or additional tax or license shall be levied or imposed upon oil, gas, or sulphur leases or rights, nor shall any additional value be added to the assessment of land, by reason of the presence of oil, gas, or sulphur therein or their production therefrom. Likewise, severance taxes shall be the only tax on timber." Delegate Edwards offered a substitute motion in the form of an amendment to paragraph (B) to add to Delegate Conroy's amendment on the last line, the last word "timber" the following words: ";provided that standing timber shall be and remain liable equally with the land on which it stands, for ad valorem taxes levied on said land." The substitute motion carried with a 16-3 vote by the committee.

The committee began discussion on a plan to be presented

by the La. Assessor's Association on property taxes, and as a result of a motion made by Delegate Schmitt, Governor Edwards

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appeared before the committee for a brief moment to inform the committee that it was not his responsibility to develop a property tax plan, but that this responsibility was placed on the Committee on Revenue, Finance and Taxation, and that he did not have any knowledge of a plan prepared by the La. Assessor's Association.

Delegates Champagne, Nunez, and Alario offered an amendment to Section 5, paragraph (C), on page 2 of CC-235 Revised which would change the paragraph to read as follows: "(C) Political subdivisions of the state shall not levy taxes on income, natural resources severed from soil or water, or motor fuel, and any occupational license taxes levied by a political subdivision shall not be greater than those imposed by the state, and the total amount of any occupational license tax levied by a parish shall be reduced by the amount of any municipal occupational license tax levied." There being no objection to the amendment, it was adopted.

Delegate Newton offered a motion to reconsider the vote on the amendment offered by Delegate Edwards on Section 5, paragraph (B), page 2 of CC-235 Revised. There being objection, the motion failed to carry.

Delegate Conroy offered an amendment to paragraph (C) of Section 5, which would delete paragraph (C) in CC-235 Revised and substitute in lieu thereof the following words: "(C) Political subdivisions of the state shall not levy taxes on natural resources severed from soil or water, or motor fuel, and any occupational license or income taxes levied by a political subdivision shall not be greater than those imposed by the state, and the total amount of any occupational license or income taxes

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levied by a parish shall be reduced by the amount of any municipal occupational license or income tax levied." Delegate Chehardy then offered a substitute motion to table Delegate Conroy's amendment. The substitute motion carried with an 11-4 vote by the committee.

Delegates Rayburn, Chehardy, Alario, Nunez, Mire, Mauberret, Edwards, Winchester, and Planchard offered an amendment to Section 5, paragraph (A) deleting the paragraph (A) in CC-235 Revised and substituting in lieu thereof the following: "(A) Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the amount of net income, provided, however, that no income tax shall be imposed on any person with a net income of less than ten thousand dollars (\$10,000), or if a joint return is filed by husband and wife no income tax shall be imposed if the net joint income is less than twenty thousand dollars (\$20,000)." Delegate Conroy offered a substitute motion to table this

amendment, but it failed to carry with a 10-6 vote by the committee. The original amendment carried with a 12-3 vote by the committee.

Delegate Fontenot offered a motion to adjourn which passed.

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The committee reconvened at 10:00 a.m., June 28, 1973, in Committee Room 5 of the State Capitol. Sen. Rayburn, chairman of the Committee on Revenue, Finance and Taxation presided and the following delegates were present:

PRESENT:	John A. Alario, Jr.	ABSENT:	Sen. J.D. De Blieux
	Mrs. Carolyn Badeaux		Charles Slay
	Sen. James Brown, Jr.		Risley C. Triche
	Walter Champagne		
	Lawrence Chehardy		
	David Conroy		
	Frank Edwards, Jr.		
	Clyde Fontenot		
	Herman "Monday" Lowe		
	J.A. McDaniel		
	Dr. Claude Mauberret, Jr.		
	Pegram Mire		
	Autley Newton		
	Sen. Samuel Nunez, Jr.		
	A.J. Planchard		
	Charles E. Roemer, III		
	Earl J. Schmitt		
	Jasper K. Smith		
	F.D. Winchester		

The meeting was called to order and a quorum was ascertained.

By motion of the chairman, and with no objection by the committee, the minutes of the meetings of June 8-9, 1973, and June 13-16, 1973, were adopted. Discussion was continued on CC-235 Revised, the Subcommittee on Revenues Other Than Property Taxes' proposal.

Delegate Newton offered an amendment to Section 5, paragraph (B), page 2, deleting the words "leases or rights" in the third sentence of Delegate Edwards' amendment that was adopted. Delegate Newton's amendment failed with a 10-7 vote by the committee.

Delegate Roemer offered an amendment to Section 5, paragraph (A) of CC-235 Revised to delete paragraph (A) and substitute in lieu thereof the following: "(A) Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the amount of net income." Delegate Chehardy offered a motion to table Delegate Roemer's amendment which failed with an 8-8 vote by the committee. Delegate Roemer's amendment carried with a 10-8 vote by

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the committee.

Delegate Alario offered an amendment to Section 5, page 2, paragraph (A) of CC-235 Revised to delete paragraph (A) and substitute in lieu thereof the following: "Equal and uniform taxes may be levied upon net incomes, and such taxes may be graduated according to the amount of net income, provided the state individual income tax rate on the first \$10,000 of taxable income for single return or \$20,000 of taxable income for joint return shall not exceed two percent." This amendment carried with a 15-3 vote by the committee.

After a recess for lunch, the committee reconvened at 1:30 p.m. to continue discussion of CC-235 Revised.

Delegate Chehardy offered an amendment to Section 5, page 3, paragraph (D) of CC-235 Revised to delete paragraph (D) and insert

in lieu thereof the following: "(D) The tax imposed by the state upon the sale at retail, the use, the consumption, the distribution, and the storage for or consumption in this state, of each item or article of tangible personal property shall not be greater than three percentum; provided, however, this tax shall not be levied upon drugs prescribed by a physician for personal consumption or use, and upon food purchased for personal consumption off of the premises where purchased." Delegate Roemer offered a substitute motion to defer action on this amendment pending a report on the cost involved in enacting it. The substitute motion carried with a 14-2 vote by the committee.

Delegate Chehardy offered another amendment to Section 5, page 3, paragraph (D) of CC-235 Revised which would read as the previous amendment made by himself except the words "in an amount greater than two percentum" would be added on the last line after the word "purchased". Delegate Smith then offered a substitute motion to table this amendment until a report

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could be presented on the cost involved. The substitute motion carried with a 12-4 vote by the committee.

Delegate Brown offered a motion to request Mr. Traigle, collector of revenue, to have one of his staff to be present at all of the committee's meetings to answer any questions the delegates may have. There being no objection, it was so ordered.

The committee decided to defer action on adopting Section 5 as amended to give the staff time to prepare it.

Delegate Brown, chairman of the Subcommittee on Public Finance presented their report, CC-234 Revised, to the committee at this time. Delegate Mire offered a motion to adopt the report section by section. There being no objection, it was so ordered.

Chairman Brown moved the adoption of Section 1 of CC-234 Revised. There being no objection, it was so ordered:

Delegate Alario offered an amendment to Section 2, paragraph (B) on page 5 of CC-234 Revised to strike out the words "a simple " at the end of line 23 and at the beginning of line 24 strike out the word "majority" and insert in lieu thereof the words "two-thirds". This amendment was adopted with no objection.

Delegate Alario offered an amendment to delete the following on lines 25-30 of Section 2, paragraph (B) on page 5 of CC-234 Revised: "provided, however, the written consent of two-thirds of the members elected to each house of the legislature shall be obtained during the period after final adjournment of the

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regular session of the legislature in the last year of the term of office of a governor and the next regular session of the legislature." This amendment was adopted with no objection.

Chairman Brown moved the adoption of Section 2 of CC-234 Revised. There being no objection, it was so ordered.

Delegate Champagne offered an amendment to Section 4 of CC-234 Revised on page 9 to delete the words "twenty-five years" and substitute in lieu thereof the words "a maximum of thirty years" and delete after the word "contracted" on line 2 the remainder of the paragraph. The amendment failed with a 14-3 vote by the committee.

Delegate Lowe then offered an amendment to Section 4 of CC-234 Revised to delete it in its entirety. The amendment carried with a 10-7 vote by the committee.

Delegate Smith offered a motion for the adoption of Section 5 of CC-234 Revised. Delegate Nunez offered a substitute motion to delete Section 5. The substitute motion failed with a 9-8 vote by the committee. Delegate Smith's motion carried with a 9-6 vote by the committee.

Delegate Mire offered a motion to reconsider Section 3 of CC-234 Revised. There being no objection, it was so ordered. Delegate Conroy moved the adoption of Section 3. Chairman Rayborn offered a substitute motion in the form of an amendment to Section 3 on page 7 of CC-234 Revised deleting the words "state revenue" on line 29 and at the beginning of line 30, delete the word "receipts" and insert in lieu thereof the words "revenues from state sources." Chairman Rayborn's amendment carried with a 14-1 vote by the committee. Delegate

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Conroy restated his motion to adopt Section 3 as amended. This motion carried with a vote of 10-5 by the committee.

Delegate Slay requested a leave of absence for Friday, June 29, 1973. It was granted by the chairman.

Delegate Newton offered a motion for adjournment at 4:30 p.m.

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The committee reconvened at 10:00 a.m., June 29, 1973, in Committee Room 5 of the State Capitol. Sen. Rayburn, chairman of the Committee on Revenue, Finance and Taxation presided and the following delegates were present:

PRESENT: John A. Alario, Jr.      ABSENT: Charles Slay  
Mrs. Carolyn Badeaux      Risley C. Triche  
Sen. James Brown, Jr.  
Walter Champagne  
Lawrence Chehardy  
David Conroy  
Sen. J.D. De Blieux  
Frank Edwards, Jr.  
Clyde Fontenot  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mauberret, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Charles E. Roemer, III  
Earl J. Schmitt  
Jasper K. Smith  
F.D. Winchester

The meeting was called to order and a quorum was ascertained. Delegate McDaniel offered a motion to conclude

the business for the day and adjourn until, July 5, the date of the convening of the whole convention.

The chairman introduced two speakers to make presentations before the committee - Mr. James Graugnard, president of the Louisiana Farm Bureau Federation and Mr. Louis Curet, the association's attorney. They urged the committee's favorable consideration of the Greenbelt Laws.

Delegate Nunez offered an amendment to CC-235 Tentative Final Draft, Section 4, on page 3, to add a paragraph (D) on line 11 to read as follows: "Three-fourths of the timber

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severance tax, one-third of the sulphur severance tax, one-fifth of the severance tax on all other natural resources severed from the soil or water, and one-tenth of the royalties from mineral leases on state-owned property shall be remitted to the governing authority of the parish in which severance occurs or in which production is had, except, the amount of severance tax on sulphur so remitted shall not exceed one hundred thousand dollars to any parish for any year and the amount of severance tax on all other natural resources severed from the soil or water so remitted shall not exceed two hundred thousand dollars to any parish for any year." This amendment carried with a 12-4 vote by the committee.

The Subcommittee on Public Finance's chairman, Delegate Brown, then continued with their proposal, CC-234 Revised. Delegate Newton offered an amendment to Section 6, page 10, line 24 to add the following words after the words "Section 6.": "Except as otherwise provided by the legislature,". This motion failed to carry with a vote of 12-2 by the committee.

After a recess for lunch, the committee reconvened at 1:30 p.m. and continued discussion on CC-234 Revised.

Delegate Roemer offered a motion to adopt paragraph (C) of Section 7. Delegate Fontenot offered a technical amendment to the paragraph to change on line 33 the word "dumb" to the word "mute". There being no objection to the adoption of the paragraph, it was so ordered.

Delegate Edwards offered an amendment to paragraph (C) of Section 7 on page 12, line 16 to add at the beginning the following words: "Except as otherwise provided in this constitution,". This amendment carried with a 17-1 vote by

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the committee.

Delegate Alario offered a motion for the adoption of paragraph (D) retaining the first sentence only and deleting the remainder of the paragraph. The motion carried with a vote of 10-6 by the committee. Delegate Roemer moved the adoption of Section 7 in its entirety as amended. There being no objection, it was so ordered.

Delegate McDaniel offered an amendment to Section 6, on page 10 of CC-234 Revised to add on line 29, after the word "otherwise" the following: "and except money received by





COMMITTEE ON REVENUE, FINANCE AND TAXATION

Substitute motion by Delegate Roemer to table Delegate Chehardy's motion to retain verbatim Article X, Section 1, paragraph 2, of the 1921 Constitution.

<u>YEAS</u>	<u>NAYS</u>
Badeaux	Alario
Champagne	Mauberrret
Conroy	Mire
Fontenot	Nunez
Lowe	Planchar
McDaniel	Winchester
Newton	
Roemer	
Smith	

CARRIED 9-6

Motion by Delegate Lowe to adopt an amendment to Section 5, paragraph (A) of CC-235 Revised. (See minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Champagne	Alario
Lowe	Badeaux
McDaniel	Chehardy
Roemer	Conroy
Smith	Edwards
Winchester	Fontenot
	Mauberrret
	Mire
	Newton
	Nunez
	Planchar
	Rayburn

FAILED 12-6

Substitute motion by Chairman Rayburn to Delegate Planchar's motion to adopt an amendment to Section 5, paragraph (A) of CC-235 Revised.

<u>YEAS</u>	<u>NAYS</u>
Alario	Badeaux
Champagne	Conroy
Chehardy	Fontenot
Edwards	Lowe
Mire	McDaniel
Rayburn	Mauberrret
	Newton
	Planchar
	Roemer
	Smith
	Winchester

FAILED 6-11

Original motion by Delegate Planchar to adopt an a amendment to Section 5, paragraph (A) of CC-235 Revised. (see minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Alario	Badeaux
Chehardy	Brown
Conroy	Champagne
Edwards	Fontenot
Mauberrret	Lowe
Mire	McDaniel
Nunez	Newton
Planchar	Roemer
Smith	
Winchester	

CARRIED 10-8

Motion by Delegate Conroy to adopt an amendment to Section 5, paragraph (A) of CC-235 Revised. (see minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Alario	Badeaux
Chehardy	Brown
Conroy	Champagne
Edwards	Fontenot
Mauberrret	McDaniel
Mire	Newton
Nunez	Planchar
Winchester	Roemer
	Schmitt
	Smith

FAILED 8-10

Substitute motion by Delegate Edwards to add to an amendment offered by Delegate Conroy to Section 5, paragraph (B) of CC-235 Revised. (see minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Alario	Badeaux
Brown	
Champagne	

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Chehardy	Fontenot
Conroy	Schmitt
Edwards	
McDaniel	
Mauberrret	
Mire	
Newton	
Nunez	
Planchar	
Rayburn	
Roemer	
Smith	
Winchester	

CARRIED 16-3

Substitute motion by Delegate Chehardy to table the motion made by Delegate Conroy to adopt an amendment to Section 5, paragraph (C) of CC-235 Revised.

<u>YEAS</u>	<u>NAYS</u>
Alario	Champagne
Badeaux	Conroy
Chehardy	Newton
Fontenot	Schmitt
Edwards	
McDaniel	
Mire	
Nunez	
Roemer	
Smith	
Winchester	

CARRIED 11-4

Substitute motion by Delegate Conroy to table the amendment offered by Delegates Rayburn, Chehardy, Alario, Nunez, Mire, Mauberrret, Edwards, Winchester and Planchar.

<u>YEAS</u>	<u>NAYS</u>
Badeaux	Alario
Champagne	Chehardy
Conroy	Edwards
Roemer	Fontenot
Schmitt	McDaniel
Smith	Mauberrret
	Mire
	Nunez
	Rayburn
	Winchester

FAILED 10-6

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Original motion to adopt the amendment offered by Delegates Rayburn, et al. (see minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Alario	Roemer
Badeaux	Schmitt
Champagne	Smith
Chehardy	
Edwards	
Fontenot	
McDaniel	
Mauberrret	
Mire	
Nunez	
Rayburn	
Winchester	

CARRIED 12-3

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June 28, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

Motion by Delegate Newton to adopt an amendment to Section 5, paragraph (B) of CC-235 Revised. (see minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Badeaux	Alario
Chehardy	Brown
Mauberrret	Champagne
Mire	Conroy
Newton	Edwards
Roemer	McDaniel
Schmitt	Nunez
	Rayburn
	Smith
	Winchester

FAILED 7-10

Substitute motion by Delegate Chehardy to table Delegate Roemer's motion to adopt an amendment to Section 5, paragraph (A) of CC-235 Revised. (see minutes for wording)

<u>YEAS</u>	<u>NAYS</u>	<u>PASS</u>
Alario	Badeaux	Fontenot
Chehardy	Champagne	
Edwards	Conroy	
Mauberrret	McDaniel	
Mire	Newton	
Nunez	Roemer	
Rayburn	Schmitt	
Winchester	Smith	

FAILED 8-8

Original motion to adopt the amendment submitted by Delegate Roemer. (see minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Badeaux	Alario
Brown	Chehardy
Champagne	Edwards
Conroy	Mauberrret
Fontenot	Mire
McDaniel	Nunez
Newton	Rayburn
Roemer	Winchester
Schmitt	
Smith	

CARRIED 10-8

Motion by Delegate Alario to adopt an amendment to Section 5, paragraph (A) of CC-235 Revised. (see minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Alario	Badeaux
Brown	McDaniel
Champagne	Newton
Chehardy	
Conroy	
Edwards	
Fontenot	
Mauberrret	
Mire	
Nunez	
Rayburn	
Roemer	
Schmitt	
Smith	
Winchester	

CARRIED 15-3

Substitute motion by Delegate Roemer to defer action on the amendment offered by Delegate Chehardy to Section 5, paragraph (D) of CC-235 Revised. (see minutes for wording of amendment)

<u>YEAS</u>	<u>NAYS</u>
Badeaux	Alario
Brown	Chehardy

Champagne  
Conroy  
Lowe  
McDaniel  
Mauberrret  
Mire  
Newton  
Planchard  
Roemer  
Schmitt  
Smith  
Winchester

CARRIED 14-2

-2-

Motion by Delegate Smith to table the amendment offered by Delegate Chehardy to Section 5, paragraph (D) of CC-235 Revised. (see minutes for wording of amendment)

<u>YEAS</u>	<u>NAYS</u>
Badeaux	Alario
Brown	Chehardy
Champagne	Newton
Conroy	Schmitt
Lowe	
McDaniel	
Mauberrret	
Mire	
Planchard	
Roemer	
Smith	
Winchester	

CARRIED 12-4

Motion by Delegate Champagne to adopt an amendment to Section 4 of CC-234 Revised. (see minutes for wording of amendment)

<u>YEAS</u>	<u>NAYS</u>
Champagne	Alario
Conroy	Badeaux
Nunez	Brown
	Chehardy
	Lowe
	McDaniel
	Mauberrret
	Mire
	Newton
	Planchard
	Roemer
	Schmitt
	Smith
	Winchester

FAILED 3-14

Motion by Delegate Lowe to adopt an amendment to Section 4 of CC-234 Revised. (see page 24 of minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Badeaux	Alario
Champagne	Brown
Lowe	Chehardy
Mire	Conroy
Newton	McDaniel
	Mauberrret

-3-

Nunez	Schmitt
Planchard	
Roemer	
Smith	
Winchester	

CARRIED 10-7

Substitute motion by Delegate Nunez to delete Section 5 of CC-234 Revised.

<u>YEAS</u>	<u>NAYS</u>
Alario	Brown
Badeaux	Champagne
Chehardy	Conroy
Mauberrret	Lowe
Mire	McDaniel
Newton	Planchard
Nunez	Roemer
Winchester	Schmitt
	Smith

FAILED 8-9

Original motion by Delegate Smith to adopt Section 5 of CC-234 Revised.

<u>YEAS</u>	<u>NAYS</u>
Brown	Alario
Conroy	Badeaux
Lowe	Chehardy
McDaniel	Mauberrret
Mire	Nunez
Planchard	Winchester
Roemer	
Schmitt	
Smith	

CARRIED 9-6

Motion by Delegate Rayburn to adopt an amendment to Section 3 of CC-234 Revised. (see page 24 of minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Alario	Schmitt
Badeaux	
Brown	
Champagne	
Conroy	
McDaniel	
Mire	
Newton	

-4-

June 28, 1973

Nunez  
Planchard  
Rayburn  
Roemer  
Smith  
Winchester

CARRIED 14-1

Motion by Delegate Conroy to adopt Section 3 of CC-234 Revised as amended.

<u>YEAS</u>	<u>NAYS</u>
Badeaux	Alario
Brown	Nunez
Champagne	Roemer
Conroy	Schmitt
McDaniel	Winchester
Mire	
Newton	
Planchard	
Rayburn	
Smith	

CARRIED 10-5

Motion by Delegate Newton to adjourn.

<u>YEAS</u>	<u>NAYS</u>
Alario	Schmitt
Badeaux	Smith
Brown	
Champagne	
Conroy	
McDaniel	
Mire	
Newton	
Nunez	
Planchard	
Roemer	
Winchester	

CARRIED 12-2

-5-

COMMITTEE ON REVENUE, FINANCE AND TAXATION

June 29, 1973

Motion by Delegate Nunez to adopt an amendment to Section 4, of CC-235 Tentative Final Draft. (see page 27 of minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Alario	De Blieux
Badeaux	Fontenot
Champagne	Newton
Conroy	Schmitt

Edwards  
McDaniel  
Nunez  
Planchard  
Rayburn  
Roemer  
Smith  
Winchester

CARRIED 12-4

Motion by Delegate Newton to adopt an amendment to Section 6 of CC-234 Revised. (see page 27 of minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
De Blieux	Alario
Newton	Badeaux
	Champagne
	Conroy
	Edwards
	Fontenot
	McDaniel
	Planchard
	Roemer
	Schmitt
	Smith
	Winchester

FAILED 12-2

Motion by Delegate Edwards to adopt an amendment to paragraph (C) of Section 7 of CC-234 Revised. (see page 27 of minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Alario	Schmitt
Badeaux	
Champagne	
Chehardy	

Conroy  
De Blieux  
Edwards  
Fontenot  
Lowe  
McDaniel  
Mauberrret  
Mire  
Newton  
Planchard  
Roemer  
Smith  
Winchester

CARRIED 17-1

Motion by Delegate Alario for the adoption of an amendment to paragraph (D) of Section 7 of CC-234 Revised. (see page 28 of minutes for wording)

<u>YEAS</u>	<u>NAYS</u>
Alario	Badeaux
Champagne	Conroy
Chehardy	Fontenot
De Blieux	McDaniel
Lowe	Newton
Mauberrret	Smith
Planchard	
Roemer	
Schmitt	
Winchester	

CARRIED 10-6

Substitute motion by Delegate Edwards to Delegate McDaniel's amendment. (see wording of both amendments on page 28 of minutes)

<u>YEAS</u>	<u>NAYS</u>
Badeaux	Alario
Chehardy	Brown
Mauberrret	Champagne
Mire	Conroy
Newton	De Blieux
Planchard	Fontenot
Winchester	Lowe
	McDaniel
	Roemer
	Schmitt
	Smith

FAILED 7-11

-2-

Original motion by Delegate McDaniel on his amendment to Section 6 of CC-234 Revised. (see page 28 of minutes for wording)

YEAS

Alario  
Badeaux  
Brown  
Champagne  
Chehardy  
De Blieux  
Fontenot  
Lowe  
McDaniel  
Mauberret  
Mire  
Newton  
Planchard  
Roemer  
Schmitt  
Smith  
Winchester

NAYS

Conroy

CARRIED 17-1

Motion by Delegate Lowe for the adoption of an amendment to Section 6 of CC-234 Revised. (see page 28 of minutes for wording)

YEAS

Chehardy  
Lowe  
Mire  
Newton

NAYS

Alario  
Badeaux  
Brown  
Champagne  
Conroy  
De Blieux  
Fontenot  
McDaniel  
Mauberret  
Nunez  
Planchard  
Roemer  
Schmitt  
Smith  
Winchester

CARRIED 15-4

Motion by Delegate Roemer to adopt an amendment to Section 11 of CC-234 Revised. (see page 29 of minutes for the wording)

YEAS

Alario  
Badeaux  
Brown  
Champagne

NAYS

De Blieux  
Mauberret  
Newton

-3-

June 29, 1973

Conroy  
McDaniel  
Mire  
Planchard  
Roemer  
Schmitt  
Smith  
Winchester

Nunez

CARRIED 12-4

-4-

**NOTES**

Attachments cited in Minutes are found below as addenda to Subcommittee on Revenues other than Property Taxation, May 10, 1973.

REPORT TO REVENUE, FINANCE AND TAXATION COMMITTEE  
IN RE LAKE CHARLES HARBOR & TERMINAL DISTRICT  
JUNE 22, 1973, 10:00 O'CLOCK A.M.

Article XIV, Section 30.1 authorizes the Legislature generally to create and defines ports, deep water and otherwise; to incur debt and issue bonds; and to levy and collect taxes.

Lake Charles Port created by Act 67 of 1924; thereafter, amended many times and reduced to R.S. 34:201, et seq. R.S. 34:201, et seq. includes R.S. 34:209, which empowers the Port to levy a 2-1/2 mill tax for five years, as embodied in Act 389 of 1950, this extended to fifteen years in Act 369 of 1970.

From the foregoing summary it is plain the Lake Charles Port, which has received the benefit of a 2-1/2 mill property tax available for bonding up to 15 years, and for any other general port purposes, as embodied in R.S. 34:209, would be stripped of any authority to levy and collect any such tax without Article XIV, 30.1.

Article 6-A, 4¢ gasoline tax authorized as additional tax, defined in detail in 6-A, paragraph 1, consisting of two pages; 6-A, paragraph 5, 2-1/2 pages, makes allocation of tax.

In Article 6-A, paragraph 5, 1/20th of this tax is levied specifically in favor of the Port of Lake Charles. Other allocations are made to the New Orleans Port and to the Highway purposes, as spelled out in detail therein.

Article 6-A, paragraph 1 levies the tax and determines exactly how the tax is to be assessed and collected.

Article 6-A, paragraph 5 makes an allocation of the tax to several beneficiaries, including the Highway Commission, the New Orleans Port and the Lake Charles Port. The Lake Charles port is 1/20th of the amount received from the tax, and at the present time is approximately the sum of \$700,000 yearly.

Both the 2-1/2 mill tax and the gasoline tax, together with the net income, are presently serving as the basis for the issuance of approximately \$4 million dollars in bonds, recently approved and sold by the State Bond Commission at a very favorable interest rate.

It is plain beyond question that Article 6-A, paragraphs 1 and 5 must be retained in the new Constitution, just as written.

Tax Exemption

Article X, Section 4, sub-paragraphs 19(a), 19(b), 19(c), insuring cargoes in transit freedom from State taxes, whether as imports to State of Louisiana, or as cargoes in transit in inter-state commerce, or as cargoes located upon docks in Louisiana, very necessary to give Louisiana ports competition with Mobile and Texas ports where similar tax exemption is allowed.



**THE LAND and ROYALTY OWNERS of LOUISIANA**

516 WHITNEY BANK BUILDING  
NEW ORLEANS, LOUISIANA 70119 21 June 1973

Phone: 570  
Area Code 5

MEMORANOU.....To: President Earl H. Willis

Re: TEXAS TAXES ON OIL AND GAS

The following information was received today from TIPRO, Austin, Texas:

1. Severance Tax:

Gas	7.5% of wellhead value
Condensate	4.6% of prevailing price in area
Oil	4.6% of market value, plus regulation which is 3/16¢ per barrel

2. Total amount collected last full year (9/1/71 - 8/31/72):

Crude	\$193,003,498
Gas & Distillate	<u>\$114,840,450</u>
	\$307,843,898

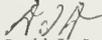
3. Texas ad valorem tax rate in 1972 - \$.27 per \$100 valuation

Ad valorem tax was abolished in 1969

There are absolutely no figures on amount collected.

In 1973, it was \$.22 per \$100 valuation. It will continue to decrease by \$.05 per year until 1977; then, it will hold at \$.10 per year until all college bonds are paid off!

4. Henceforth, the man you should call is Mr. C. C. Edgar, Assistant Director, Oil and Gas, Tax Division, State of Texas in Austin. (AC 512-475--3341)

  
David I. Dodenhoff  
Executive Director

STATE OF LOUISIANA  
DEPARTMENT OF REVENUE  
BATON ROUGE 70821

JOSEPH N. TRAYLOR  
COLLECTOR OF REVENUE

June 29, 1973

The Honorable E. E. Rayburn, and  
Members, Committee on Revenue,  
Finance and Taxation

Gentlemen:

Based upon your request of June 28, 1973, I am assigning a member of my staff, Mr. Golden Mills, to the Committee for the purpose of securing any information the Committee might desire on state revenue and taxation questions.

I personally am available to meet with the Committee at any time that the Committee should deem such an appearance beneficial.

Sincerely,

  
Collector of Revenue

JNT:cah



From the Desk of

**EDWARD S. REED**  
Executive Port Director  
and General Manager

# World Port Tonnage

As of 1970

U. S. DEPARTMENT OF COMMERCE • Maritime Administration

Thought you would be interested  
in the worldwide rank of two of  
Louisiana's three "world ports"  
as reported by the U. S. Depart-

ment of Commerce - Maritime  
Administration - in a current  
release.

Based on Total Volume of All Types of Cargo Handled in  
Waterborne Commerce at 30 Selected World Ports.

Order <sup>1</sup>	Ports	Total All Cargo (short tons) <sup>2</sup>	Order <sup>1</sup>	Ports	Total All Cargo (short tons) <sup>2</sup>
1	Rotterdam, Neth.	241,560,000	16	Chicago, Ill.	48,254,387
2	New York, N.Y.	174,008,108	17	Singapore	46,420,000
3	New Orleans, La.	123,674,208	18	Baton Rouge, La.	45,535,281
4	Kawasaki, Jap.	91,426,074	19	Millford Haven, Eng.	44,000,000
5	Antwerp, Bel.	80,322,330	20	Willemstad, Neth. Ant.	43,800,000
6	Marseilles, Fr.	58,200,000	21	Duluth/Sup. Minn./Wis.	42,758,965
7	Nagoya, Jap.	67,236,060	22	Le Havre, Fr.	41,250,000
8	London, Eng.	67,100,000	23	Tokyo, Jap.	35,000,000
9	Yokohama, Jap.	66,635,800	24	Southampton, Eng.	33,012,753
10	Houston, Tex.	64,654,263	25	Toledo, Ohio	31,932,493
11	Genoa, It.	58,828,420	26	Tampa, Fla.	31,356,522
12	Norfolk, Va.	53,544,337	27	Detroit, Mich.	31,241,263
13	Hamburg, W. Ger.	52,690,000	28	Amuay Bay, Venez.	30,800,000
14	Philadelphia, Pa.	52,224,396	29	Beaumont, Tex.	30,480,706
15	Baltimore, Md.	51,084,394	30	Portland, Me.	30,016,945

<sup>1</sup> Based on total of all cargo, both foreign and domestic.

<sup>2</sup> Tons of 2,000 lb.

## HISTORICAL NOTE

The Board of Commissioners of the Port of New Orleans was created pursuant to Acts of the General Assembly of 1896, No. 70. The law-making body of Louisiana amended that original Act on numerous occasions; and the Louisiana Constitution also produced many changes in the original Act. The Louisiana Revised Statutes of 1950, Title 34, Section 1, et sequitur, repealed Acts 1896, No. 70, as amended, and reenacted and reorganized the entire statutory body of the law pertaining to the establishment, organization and government of the Board of Commissioners of the Port of New Orleans.

The original of Acts 1896, No. 70, is reproduced below for historical purposes only.

"To establish a commission for the Port of New Orleans; to define their powers and duties; to provide a revenue therefor; and to repeal conflicting laws

Whereas, the Port of New Orleans, has been gradually extended until it has reached beyond the limits and jurisdiction of the City of New Orleans; and

Whereas, the divided authority of three Parishes and the multiplicity of officials with their various fees, and the development of contiguous rival Ports will act injuriously and prejudicially to the traffic of the Port; and

Whereas, the tax on shipping exacted for various fees, charges, etc., is of such proportions as to threaten to divert the trade to less expensive ports; and

Whereas, the supervision and control of an intelligent Board of State Commissioners can consolidate the services of Harbor Masters and Wardens, Wharf Superintendents, Wharfingers of three Parishes into one set of competent employees at a reduced expense; can operate and improve the wharves and other terminal facilities of the Port and greatly develop and expand its commerce by removing many of the obstacles now placed in the way of its advancement; and

Whereas, due public notice of the intention to apply for the passage of this act has been given as required by Article 48 of the Constitution, Therefore

Section 1. Be it enacted by the General Assembly of the State of Louisiana, That the Governor of the State of Louisiana is hereby authorized to appoint a Board of Commissioners to be known as the "Board of Commissioners of the Port of New Orleans," said Board to consist of Five members, who shall be citizens of the United States and reside within the Port limits of New Orleans in the Parishes of Orleans, Jefferson, or St. Bernard, and at the time of their appointment must be prominently identified with the Commerce or business interests of the Port of New Orleans. One of said commissioners shall be appointed for a term of three years, one for four years, one for five years, one for six years and one for seven years. At the expiration of their term their successors shall be appointed by the Governor for a period of five years each. The Board shall have the power to fill the unexpired term should any vacancy occur through death, resignation or other cause.

Section 2. Be it further enacted, etc., said Board of Commissioners shall have power to regulate the

commerce and traffic of the Harbor of New Orleans in such manner as may in their judgment be best for its maintenance and development.

JUNE 26, 1973

Prepared For:

COMMITTEE ON REVENUE, FINANCE, AND TAXATION  
LOUISIANA CONSTITUTIONAL CONVENTION

By:

Emile Comar  
Executive Director  
Louisiana Catholic Conference  
1100 Chartres Street  
New Orleans, Louisiana 70116

The Committee on Revenue, Finance, and Taxation announced two weeks ago that it favored a Constitutional provision under which nonprofit hospitals would be exempted from payment of state taxes.

We wish to call to your attention the fact that a number of other nonprofit institutions -- such as nursing homes, homes for the aged, orphanages and the like -- also provide services to the community at large and should also be included in the proposed exemption.

Within the last two years the State Department of Revenue and the State Tax Commission have begun taxing nursing homes, including those which are nonprofit and which raise private funds to care for the indigent. Because they are not specifically exempt from taxes under the present Constitution, the state now takes the position they are taxable even though they have been exempt for decades.

We urge, therefore, that this Committee specifically exempt nonprofit institutions which provide for the care of the citizens of the state and we recommend the attached wordage, which would be an extension of the policy already adopted with regard to hospitals alone.

### SUGGESTED AMENDMENT TO PARAGRAPH 2, SECTION 4, ARTICLE 10 CONSTITUTION OF 1921

Change language of line 4, Section 2, to read:

"Places devoted to charitable undertakings, including that of such organizations as hospitals, nursing homes, homes for the aged, convalescent and rehabilitation facilities, institutions for treatment and care of the physically and mentally handicapped or retarded, orphanages, child and/or day care centers, mental and/or physical rehabilitation and treatment facilities, and any other nonprofit institution as defined herein, which may be licensed or subject to license or supervision by the State of Louisiana."

Add to Section 4, paragraph 2 a sub-paragraph as follows:

"Within the meaning of this Section, the term 'non-profit institution' or charitable undertaking shall mean and include any and all institutions, private corporations or facilities which are or shall be exempt from federal income taxation."

JUNE 26, 1973

Prepared For:

COMMITTEE ON REVENUE, FINANCE, AND TAXATION  
LOUISIANA CONSTITUTIONAL CONVENTION

By:

Emile Comar  
Executive Director  
Louisiana Catholic Conference  
1100 Chartres Street  
New Orleans, Louisiana 70116

This Committee, according to a progress report we have read, has agreed to retain Article 4, Section 8 of the Constitution of Louisiana. This is the section which says, in essence, that no state funds shall ever be used -- directly or indirectly -- to aid any religion or for any private or benevolent purpose. A copy of that section of the Constitution is attached.

There is both wisdom and folly in that section of the Constitution. In the first place it is wise to provide that the state shall not aid any church or discriminate against any church. But it is folly to say that the state cannot appro-

private funds for private and charitable purposes, particularly since the state has been ignoring that provision for years. Both the state as a body politic and its citizens as individuals are the beneficiaries of scores of programs under which state and private funds are co-mingled and channeled through private institutions which perform community services.

Because of the limitations of time I will not enumerate all such programs under which the state appropriates funds for special services performed by private agencies, including agencies and institutions operated by religious bodies. Following, however, are examples of state and private cooperative efforts.

The State Welfare Department and the State Department of Corrections do not have the facilities necessary to care for dependent, neglected and wayward children. These departments therefore pay for a portion of the cost of care for

Pg. 2 - Committee On Revenue, Finance, and Taxation

such children in institutions like the Sellers Baptist Home and Adoption Center, New Orleans; Methodist Children's Home, Ruston; Lutheran Welfare Association of the South, New Orleans; Volunteers of America, Baton Rouge; Masonic Home for Children, Alexandria; Volunteers of America, New Orleans; White's Ferry Road Church of Christ Children's Home, West Honroe; Madonna Manor, Hope Haven, St. Vincent Infant and Maternity Home, all in New Orleans; Blundon Home, Baton Rouge; and Acadia Baptist Academy, Eunice. These institutions give of their own facilities and funds to pay for costs over and above what Louisiana pays for children who are wards of the state.

But a strict interpretation of Article 4, Section 8 would prohibit such payments by the state for this private care. The state and its people would be the losers.

No aid direct or indirect would mean, too, that the State would have to stop paying for care for children in the Crippled Children's Hospital in New Orleans, a one-of-a-kind institution which is indispensable to the welfare of children in Louisiana; to Flint-Goodridge Hospital, a private hospital for Negroes in New Orleans; to Sara Mayo Hospital; to the Eye, Ear, Nose and Throat Hospital, a highly specialized institution, and others.

Private and sectarian hospitals across the state participate in the state's medical assistance program and in the last fiscal year almost \$4 million was paid directly to such nonprofit, private hospitals. If the aid is direct or indirect it matters not, according to the wording of Article 4, Section 8.

In 1972, again in cooperation with private agencies, the state paid out \$1.1 million for child foster care. A total of \$650,000 went to out-of-state institutions and some \$435,000 was paid to institutions in Louisiana. No aid direct or indirect certainly would mean that the state could not pay for the care of the foster children in private institutions and homes, including those mentally disturbed children who are sent to specialized institutions offering services the

Pg. 3 - Committee On Revenue, Finance, and Taxation

state itself does not provide.

The state, in a very direct way, even pays for religion. Under the 1972 state budget Louisiana paid out \$65,000 to chaplains of many denominations in state hospitals. Similarly, it paid the chaplains at correctional institutions, knowing that the sick and the imprisoned are in special need of counsel and aid. But the Constitution says that the state may not aid any priest, preacher, minister, etc.

The state does not have sufficient facilities for all the retarded children who must be cared for in Louisiana. Therefore, it contracts with private and sectarian institutions for the care of these exceptional children. How would no aid direct or indirect affect these children?

And what will become of the elderly? No aid direct or indirect would prohibit the state from continuing its assistance under which private and sectarian nursing homes receive funds for the care of nursing home patients. The state, itself, has no such homes.

There are many other programs of a similar nature, with the state providing for its people through private institutions.

The Legislature and the Executive Department of this state, in their wisdom and with guidelines set by various court cases, have determined where to provide aid, and where to draw the line. They have found the state's purposes to be served more wisely and more economically through the operation of such state-private cooperative programs as those outlined to you in this memorandum.

The state, as pointed out to you, has looked away from Article 4, Section 8, and determined how its people can best be served. We feel that the article should be dropped from the Constitution, knowing full well that there is more than adequate jurisprudence establishing what the state can and cannot do with regard to public aid for those private endeavors which serve the state and its communities.

Pg. 4 - Committee On Revenue, Finance, and Taxation

Besides, the Louisiana Constitution no doubt will carry a section on religious liberty defining the role of the state as regards religion. The Louisiana Catholic Conference recommended to another committee of the Constitution that the section on religious liberty be drafted so as to parallel the U.S. Constitution. The suggestion made by LCC was adopted by the Committee on the Bill of Rights and Election so that the proposal now reads:

"No law shall be enacted respecting an establishment of religion or prohibiting the free exercise thereof."

Court interpretations of this language over decades have established guidelines for interaction between the state and private agencies.

To repeat Article 4, Section 8 as written and as presently ignored by the State would be a useless gesture. To repeat Article 4, Section 8 with a view toward having it strictly enforced would be disastrous to private agencies which now are performing widespread community services for the good of the state and its citizens.

Public Funds; Prohibited Expenditure for Sectarian, Private, Charitable or Benevolent Purposes; State Charities; Religious Discrimination.

Article 4, Section 8

No money shall ever be taken from the public treasury, directly or indirectly, in aid of any church, sect or denomination of religion, or in aid of any priest, preacher, minister or teacher thereof, as such, and no preference shall ever be given to, nor any discrimination made against, any church, sect or creed of religion, or any form of religious faith or worship. No appropriation from the State treasury shall be made for private, charitable or benevolent purposes to any person or community; provided this shall not apply to the state Asylums for the insane, and the state schools for the deaf and dumb, and the blind, and the Charity Hospitals, and public charitable institutions conducted under State authority.

- 1 Constitutional Convention of Louisiana of 1873
- 2 SUBCOMMITTEE PROPOSAL NUMBER 1 of the Committee on Revenue, Finance and Taxation
- 3 Introduced by Sen. James H. Brown, chairman, Subcommittee on Public Finance
- 4 A PROPOSAL
- 5 For limitations on incurrence of state debt; for the
- 6 collection, expenditure, and management of state funds.
- 7 PROPOSED SECTIONS:
- 8 Article \_\_\_\_; Section 1. State Debt; Full Faith and
- 9 Credit Obligations
- 10 Section 1. (A) The state shall have no power
- 11 to contract, directly or through any state board, agency,
- 12 or commission, the incurring of debt or the issuance of

bonds secured by all or part of tax revenues imposed and collected by the state except upon the affirmative vote of two-thirds the members elected to each house of the legislature, and then only if the funds are to be used to repel invasion; suppress insurrection; provide relief from natural catastrophes; refund outstanding indebtedness, but only if required by financial necessity or in order to obtain a lower effective rate of interest or lower interest expense; or make capital improvements, but only in accordance with a comprehensive capital budget, which the legislature shall adopt.

(B) If the purpose is to make capital improvements, the nature, location, and if more than one project, the amount allocated to each and the order of priority shall be stated in the comprehensive capital budget which the legislature adopts.

(C) The full faith and credit of the state shall be pledged to the repayment of all bonds or other evidences of indebtedness issued by the state directly or through any state board, agency, or commission.

(D) The legislature, by two-thirds affirmative vote of the members elected to each house thereof, may propose a public referendum for the incurrence of debt for any purpose for which the legislature is not herein authorized to incur debt.

-2-

CC-234

1 Source: La. Const. Art. IV, §2 (1921), as amended by Acts  
2 1965, No. 168.

3  
4 Comment: "The state shall have no power to contract, directly  
5 or through any state board, agency, or commission," is  
6 included to prevent evasion or prohibition against incur-  
7 rence of state debt by contracting in the name of a state  
8 board, agency, or commission. Similar language added  
9 to Louisiana Constitution of 1921 by Acts 1965, No. 168  
10 has been successful in achieving this purpose.

11 Under this Section state debt may be incurred only  
12 by affirmative vote of two-thirds of the elected member-  
13 ship of each house of the legislature and then only for  
14 the following purposes: (1) repel invasion, (2) suppress  
15 insurrection, (3) provide relief from natural catastrophes,  
16 (4) refund outstanding indebtedness only if a financial  
17 necessity or to obtain a lower effective rate of interest,  
18 make capital improvements.

19 Under Louisiana Constitution of 1921, Art. IV, §2,  
20 state debt may be incurred only upon two-thirds vote of  
21 elected membership of the legislature and then only for  
22 purposes (1), (2), and (5), enumerated in the immediately  
23 preceding paragraph. In this Section, in addition to  
24 emergencies listed in (1) and (2), number (3) was added  
25 as a result of the probability of occasional natural  
26 catastrophes such as floods and hurricanes due to Louisiana's  
27 geographical location. Since there exists some doubt  
28 as to whether refunding provisions must be included in  
29 state constitutions for states to have such authority, to  
30 extinguish any doubt (4) was included to authorize refunding  
31 of state debt only if necessary because of a financial  
32 necessity or to obtain a lower effective rate of interest.

33 Section legislative discretion will determine refunding,  
34 subject to the requirement that refunding be made only  
35 if a financial necessity or to obtain lower interest ex-

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1 ~~power~~ Under (5) state debt may be incurred to make  
2 capital improvements only if the nature, location, and  
3 if more than one project, the amount allocated to each  
4 and the order of priority is stated in a comprehensive  
5 capital budget which shall be adopted by the legislature.  
6 Under this Section the legislature is intended to have  
7 authority to incur indebtedness to make capital improve-  
8 ments only if the improvements are included in a compre-  
9 hensive state capital budget. It is the intention of  
10 this Section to force utilization by the state of a long-  
11 term capital improvement plan.

12 All state indebtedness, whether contracted in the  
13 name of the state or in the name of a state board, agency,  
14 or commission, is secured by pledge of the full faith and  
15 credit of the State of Louisiana. After the adoption of  
16 this constitution, no revenue bonds may be issued by the  
17 state or any state board, agency, or commission.

18 Under Louisiana Constitution of 1921, Art. IV, §2  
19 as amended by Acts 1965, No. 168, it is provided, "this  
20 prohibition (against incurrence of state debt) shall not  
21 apply to cities, towns and villages, parishes, school  
22 boards or any other local political subdivisions of any  
23 kind..." (Explanation in parentheses supplied). Omission  
24 of this language is not intended to alter existing law;  
25 this Section applies to all state debt, whether contracted  
26 directly or indirectly, and only local political subdivi-  
27 sions are intended to be excluded from prohibition of  
28 this Section. (Limitation on incurrence of debt by local  
29 political subdivisions is provided in this constitution  
30 by Art. \_\_\_\_\_, Section \_\_\_\_\_.)

31 It is not intended that this Section abrogate  
32 authority granted in this constitution by Art. \_\_\_\_\_,  
33 Section \_\_\_\_\_, to the Interim Emergency Board for emer-  
34 gency borrowing.

35 Under Louisiana Constitution of 1921, Art. IV, §2

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1 as amended by Acts 1965, No. 168, the following is pro-  
2 vided:

3 "...nor shall it (prohibition against  
4 incurrence of state debt) apply to any  
5 state board, authority, commission or  
6 other state agency empowered by other  
7 constitutional authorization or to any  
8 law adopted by the Legislature within  
9 the scope of any such other Constitu-  
10 tional authorization; nor shall it ap-  
11 ply to any state board, authority, com-  
12 mission or other state agency created  
13 by an Act of the Legislature with re-  
14 spect to any proposed debt to be in-  
15 curred thereunder and any proposed bonds

16 to be issued in connection therewith  
 17 where secured solely from the revenues  
 18 of the project." Louisiana Constitution  
 19 of 1921, Art. IV, §2 as amended by Acts  
 20 1965, No. 168. (Explanation in paren-  
 21 theses supplied)

22 The language quoted above providing exceptions for  
 23 certain state boards, agencies, and commissions purposely  
 24 was omitted from this Section with the intention of alter-  
 25 ing existing law. Under this Section no state debt can  
 26 be incurred directly or through any state board or state  
 27 agency except upon affirmative vote of two-thirds of the  
 28 members elected to each house of the legislature and then  
 29 only for the five purposes enumerated herein. This change  
 30 in the law should allay fears of some bond rating services  
 31 that the state might revert to complicated bonding  
 32 practices as a result of loopholes in the present law,  
 33 allowing exceptions to prohibition against incurrence of  
 34 state debt.

35 Under Louisiana Constitution of 1921, Art. IV, §2,

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1 the above quoted exception in conjunction with other con-  
 2 stitutional provisions authorizes issuance of bonds sup-  
 3 ported by the full faith and credit of the state by  
 4 various agencies such as Port of New Orleans (Louisiana  
 5 Constitution of 1921, Art. VI, §16 et seq ). Omission  
 6 from this Section of the above quoted exception is in-  
 7 tended to alter existing law so that only bonds supported  
 8 by the full faith and credit of the state may be issued  
 9 and then only by affirmative vote of two-thirds of the  
 10 elected membership of each house of the legislature.

12 Section 2 . State Debt; Interim Emergency Board

13 Section 2 . (A) The Interim Emergency Board hereby  
 14 is created and shall be composed of the governor, the  
 15 state treasurer, the legislative auditor, the chairman  
 16 of the Senate Finance Committee, and the chairman of the  
 17 House Appropriations Committee, or their designees.

18 (B) During the interim between sessions of the legis-  
 19 lature, whenever it is determined by majority vote of the  
 20 Interim Emergency Board that an emergency exists, and  
 21 then only for a purpose for which the legislature may in-  
 22 appropriate funds,  
 23 ~~cur indebtedness under this constitution~~, after having ob-  
 24 tained, as provided by law, the written consent of a simple  
 25 majority of all members elected to each house of the  
 26 legislature, provided however, the written consent of  
 27 two-thirds of the members elected to each house of the  
 28 legislature shall be obtained during the period after  
 29 final adjournment of the regular session of the legisla-  
 30 ture in the last year of the term of office of a gover-  
 31 nor and the next regular session of the legislature, the  
 32 Interim Emergency Board may appropriate from any surplus  
 33 in the State General Fund, ~~as certified by the treasurer,~~  
 34 or borrow upon the full faith and credit of the state an  
 35 amount to care for an emergency, which is an event or  
 occurrence not reasonably anticipated by the legislature.

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1 aggregate  
 2 (C) The ~~total amount~~ of indebtedness outstanding at  
 3 any one time ~~under the authority of this Section~~, shall ~~not~~ <sup>be</sup> ~~exceed~~ <sup>in excess of</sup> one-tenth of one percent of total state revenue <sup>(then</sup>  
 4 receipts for the previous fiscal year. <sup>current</sup>  
 5

6 (D) Each fiscal year as a first priority there hereby  
 7 is allocated from the State General Fund an amount suf-  
 8 ficient to pay any indebtedness incurred during the pre-  
 9 ceeding fiscal year under the authority of this Section.

10 Source: La. Const. Art. IV, §§1(a) and 17 (1921).

11  
 12 Comment: The Board of Liquidation of the State Debt, created  
 13 pursuant to Louisiana Constitution of 1921, Art. IV, §1(a),  
 14 is abolished; the Interim Emergency Board is created with  
 15 powers, duties, and functions different from the Board of  
 16 Liquidation of the State Debt.

17 Under this Section it is intended the Interim Emer-  
 18 gency Board is authorized to appropriate from any surplus  
 19 in the State General Fund or to borrow upon the full faith  
 20 and credit of the state only if the following conditions  
 21 are met:

22 (1) Certification by the board that there exists an  
 23 emergency, which is an event or occurrence not reasonably  
 24 anticipated by the legislature;

25 Note: It is not intended the Interim Emergency  
 26 Board shall have authority to appropriate  
 27 from a surplus in the State General Fund  
 28 or to borrow upon the full faith and credit  
 29 of the state for any cause which already  
 30 has been considered by the legislature  
 31 or which reasonably could have been fore-  
 32 seen by the legislature.

33 (2) Receipt of written consent by majority of all  
 34 members elected to each house of the legislature, provided  
 35 that written consent of two-thirds of members elected to

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1 each house of the legislature is required during the  
 2 period between final adjournment of the regular session  
 3 of legislature in the last year of term of office of a  
 4 governor and the next regular session of the legislature.

5 Note: During the time period specified, requirement  
 6 of two-thirds vote is intended to make more dif-  
 7 ficult action by lame-duck legislature.

8 (3) The emergency shall be for a purpose for which  
 9 the legislature may ~~incur indebtedness under this consti-~~  
 10 ~~tution;~~ appropriate funds.

11 (4) The total amount of indebtedness outstanding  
 12 at any time under the authority of this Section shall  
 13 not exceed one-tenth of one percent of total state revenue  
 14 receipts for the previous fiscal year.

15 Note: "Total state revenue receipts" is intended to in-  
 16 clude all revenue receipts, whether or not of a  
 17 tax nature. Therefore, inclusive are federal  
 18 grants, mineral revenues, etc.

20 Section 3 . State Debt; Maximum Debt Service Expense  
21 for All Purposes

22 Section 3 . The legislature shall enact no law  
23 authorizing the incurrence of state debt, whether con-  
24 tracted directly by the state or indirectly through a  
25 state board, agency, or commission, if incurrence of  
26 the indebtedness would result in total annual debt ser-  
27 vice requirements on all state obligations, whether out-  
28 standing or authorized and unissued, exceeding an amount  
29 equal to ten percent of the average total state revenue  
30 receipts available for debt service  
31 for the preceding three years.

32 Source: New

34 Comment: Under this Section total state indebtedness, whether  
35 contracted directly by the state or through any state

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board, agency, or commission, and whether outstanding  
2 authorized and unissued, or proposed, shall not re-  
3 sult in total annual debt service requirements exceeding  
4 10 percent of the average total state revenue receipts  
5 for the preceding three years.

6 As used in this Section, "total state revenue re-  
7 cepts" includes ~~revenues~~ <sup>only funds available for debt service.</sup> ~~irrespective of source.~~ Thus,  
8 inclusive not only are tax collections, but also all  
9 other state revenues. ~~Federal funds are included only if available~~  
10 ~~to use for debt service expense, which to date has not been~~  
11 ~~used, etc., allowed by the federal government. In summary, all~~  
12 ~~receipts falling into the Bond Security and Redemption Fund as~~  
13 ~~As used in this Section, "debt service requirements"~~

14 is intended to mean principal and interest due on all <sup>established</sup>  
15 state obligations, regardless of the manner of incurrence, <sup>in this Cr-</sup>  
16 and irrespective of status of the obligations, whether <sup>stitution</sup>  
17 outstanding, authorized and unissued, or proposed. <sup>would</sup>  
18 <sup>constitute</sup>  
19 <sup>state</sup>  
20 <sup>revenue</sup>

21 Many states have avoided constitutional limitations  
22 on state debt by utilization of one or more concepts,  
23 the most often employed being the following: (1) revenue  
24 bonds and the special fund doctrine: this is a juris-  
25 prudential rule, followed in some states, which provides  
26 that issuance of revenue bonds, secured solely by revenue  
27 from designated sources not resulting directly in new or  
28 additional taxes, is a form of borrowing which is not a  
29 debt and, therefore, excluded from the maximum state debt  
30 limitation; (2) state boards, agencies, and commissions:  
31 some courts have held that where the incurrence of debt  
32 is contracted in the name of a state board, agency, or  
33 commission, state debt is not incurred and, therefore, the  
34 maximum state debt limitation is not applicable. It is  
35 intended this Section will prevent any and all evasion of  
the state debt limitation provided herein.

33 Section 4 . State Debt; Maximum Time for Repayment

34 Section 4 . Any bonded debt contracted by the state,  
35 directly or through any state board, agency, or commission,

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1 shall be redeemed within twenty-five years from date  
2 contracted or within a period not to exceed a reasonable  
3 estimate of the useful life of the project for which the

4 debt was created as stated in the law authorizing the  
5 incurrence of debt for the project.

7 Source: New

8  
9 Comment: This Section is intended to prevent the incurrence  
10 of debt for a period of time exceeding the useful life of  
11 the project for which the debt is incurred. If there is  
12 no reasonable estimate of the useful life of the project  
13 in the law authorizing incurrence of debt for the project,  
14 then the maximum term for repayment is 25 years. Under  
15 this Section it is intended future generations will not  
16 be burdened with obligations for which little, if any,  
17 benefit directly is received. Also this Section is in-  
18 tended to promote fiscal responsibility.

20 Section 5 . State Debt; Political Subdivisions of the  
21 State; Issuance and Sale of Obligations; State Bond  
22 Commission; Approval Required

23 Section 5 . (A) The State Bond Commission hereby is  
24 created and its membership shall be determined by the leg-  
25 islature.

26 (B) No bonds or other obligations shall be issued or  
27 sold by the state, directly or through any state board,  
28 agency, or commission, or by any political subdivision of  
29 the state, including but not necessarily limited to levee  
30 boards, school boards, police juries, municipalities, port  
31 and harbor commissions, drainage, sewerage, and other  
32 special districts, unless prior written approval of the  
33 State Bond Commission is obtained.

35 Source: New

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1 Comment: The State Bond Commission, which under present law  
2 (LSA-R.S. 39:401 et seq) is a statutory commission, is  
3 granted constitutional status. Membership of the commis-  
4 sion shall be determined by the legislature.

5 No bonds or other obligations of the state or any  
6 political subdivision of the state shall be issued or  
7 sold without prior written approval of the State Bond  
8 Commission. It is intended for this requirement to be  
9 applicable irrespective of the nature of the security  
10 involved, i.e., whether obligation is supported by full  
11 faith and credit of state, full faith and credit of po-  
12 litical subdivision of state, or by revenue bonds issued  
13 by political subdivisions.

14 Since the financial status of the state is affected  
15 not only by state indebtedness but also by indebtedness  
16 of the state's political subdivisions, to promote  
17 financial stability and fiscal responsibility it is the  
18 intention of this Section to require approval of the  
19 State Bond Commission of the issuance or sale of all  
20 obligations by the state and its political subdivisions.

22 Section 6 . Collection of State Funds; Bond Security  
23 and Redemption Fund

24 Section 6 . All ~~moneys~~ <sup>money</sup> received by the state or by

25 any state board, agency, or commission, immediately upon  
26 receipt, shall be deposited in the state treasury, except  
27 money received as grants or donations or other forms of  
28 assistance when the terms and conditions thereof require  
29 otherwise.

30 Subject to contractual obligations existing at the  
31 time this constitution is adopted, all state money  
32 deposited in the state treasury, except money received  
33 as grants or donations or other forms of assistance when  
34 the terms and conditions thereof require otherwise, shall  
35 be credited to a special fund designated as the Bond

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1 Security and Redemption Fund. In each fiscal year  
2 there hereby is allocated from the Bond Security and  
3 Redemption Fund an amount sufficient to pay all  
4 obligations, including but not necessarily limited  
5 to principal, interest, premiums, sinking or reserve  
6 fund requirements, which are secured by the full faith  
7 and credit of the state and which become due and pay-  
8 able within the current fiscal year. Thereafter, all  
9 money remaining in the Bond Security and Redemption  
10 Fund shall be credited to the State General Fund.

11  
12 Source: New

13  
14 Comment: As used in this section, "All money received by  
15 the state or by any state board, agency, or commission"  
16 is intended to include all revenue receipts, irrespec-  
17 tive of source.

18 The language "Subject to contractual obligations  
19 existing at the time this constitution is adopted"  
20 is intended to protect the holders of outstanding  
21 obligations of the State of Louisiana and its boards,  
22 agencies, and commissions. Nothing herein is intended  
23 to impair any contractual obligations existing at the  
24 time this constitution is adopted.

25 The language "except money received as grants  
26 or donations or other forms of assistance" is intended  
27 to include all grants, donations, or other forms of  
28 assistance, whether public or private.

29 Under this section all obligations secured by the  
30 full faith and credit of the state additionally will  
31 be secured by the Bond Security and Redemption Fund,  
32 to which is allocated each fiscal year a sum sufficient  
33 fully to pay all obligations maturing within the  
34 current fiscal year. The Bond Security and Redemption  
35 Fund is intended to provide a first priority for

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1 payment of all obligations due and payable within the  
2 current fiscal year. After satisfaction of all such  
3 obligations, the balance in the Bond Security and  
4 Redemption Fund is credited to the State General Fund.

5 Section 7. Expenditure of State Funds

6 Section 7. (A) Money shall be drawn from the  
7 state treasury only pursuant to an appropriation made  
8 in accordance with law. Each appropriation shall be

10 for a specific sum of money and for a specified object.

11 (B) An appropriation shall be for a term no longer  
12 than ~~two~~ <sup>one</sup> year, and the legislature shall provide for  
13 the publication of a regular statement of receipts and  
14 expenditures of all state moneys at intervals of not  
15 less than a year.

16 (C) An appropriation never shall allocate to any  
17 object the proceeds of any particular tax or a part or  
18 percentage thereof except when required by the federal  
19 government for participation in federal programs.

20 (D) An appropriation never shall be made under the  
21 head or title of contingent, nor shall an appropriation  
22 be made except for public purposes. Money never shall  
23 be taken from the public treasury, directly or indirectly,  
24 in aid of any church, sect or denomination of religion,  
25 or in aid of any priest, preacher, minister, or teacher  
26 thereof, as such, and a preference never shall be  
27 given to, nor any discrimination made against, any church,  
28 sect or creed of religion, or any form of religious  
29 faith or worship. An appropriation never shall be made  
30 to any person or community for private, charitable, or  
31 benevolent purposes, provided this shall not apply to  
32 the state asylums for the insane, and the state schools  
33 for the deaf and dumb, and the blind, and the charity  
34 hospitals, and public charitable institutions conducted  
35 under state authority.

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1 Section 8. Management of State Funds: Budgets

2 Section 8. (A) The governor shall submit  
3 to the legislature, at a time fixed by law, a  
4 budget estimate for the next fiscal year setting  
5 forth all proposed state expenditures and anticipated  
6 state revenues, and shall submit a general appropriation  
7 bill to authorize the proposed ordinary operating  
8 expenditures and, if necessary, a bill or bills  
9 containing recommendations in the budget for new  
10 or additional revenues.

11 (D) The governor shall submit to each regular  
12 session of the legislature a proposed five-year  
13 capital outlay program with a request for imple-  
14 mentation of the first year of the five-year program.  
15 All capital outlay projects approved by the legislature  
16 shall be made a part of the comprehensive state  
17 capital budget which shall be adopted by the legislature.

19 Section 9. Management of State Funds: Public Record

20 Section 9. All reports and records of the  
21 collection, expenditure, investment, and use of  
22 state moneys and all reports and records relating  
23 to state obligations shall be matters of public record.

25 Section 10. Management of State Funds: Investment

26 Section 10. All available money <sup>available</sup> for invest-  
27 ment in the custody of the state treasurer shall be  
28 invested as provided by law.

30 Section 11. Management of State Funds: Loan of

Pledg. of Public Credit; Relief of Debtors;  
Donation; Transfer of Property; Leasing of  
Health Institutions

Section 11. (A) The funds, credit, property  
or things of value of the state, or of any political

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corporation thereof, shall not be loaned, pledged, or  
donated to or for any person or persons, associations  
or corporations, public or private, provided nothing  
contained herein shall prevent intercooperation between  
the state and its political subdivisions or between  
political subdivisions; nor shall the state, nor any  
political corporation purchase or subscribe to the  
capital stock or stock of any corporation or associ-  
ation whatever, or for any private enterprise.

(B) Notwithstanding the provisions of this  
section, the legislature may grant necessary rights  
of way through its public lands for the construction  
of any railroad or flood control or navigation canal;  
and police juries and municipal corporations may  
utilize any charitable institutions within their  
corporate limits for the care, maintenance, and  
asylum of destitute persons, provided all appropriations  
made to such institutions shall be accounted for in the  
manner required of officials entrusted with public  
funds. Furthermore, the state, or any agency or  
political corporation or subdivision thereof, through  
authorized representatives, may donate perfect owner-  
ship, or otherwise convey, to the United States any  
property, movable and immovable, rights of way or  
servitudes, which they now own or may hereafter acquire,  
for the following public purposes: use, in connection  
with the improvement and maintenance of the navigation  
of natural waterways, the construction and improvement  
and maintenance of artificial navigable waterways and  
river and harbor works of every description and kind  
authorized by an Act or Acts of the Congress of the  
United States or Federal Statutes, or otherwise, and  
in connection with flood control works of every descrip-  
tion and kind so authorized or in connection with airports,  
flying fields, landing fields, parks, forest preserves,

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canals, irrigation districts, hospitals, agricultural  
experiment and research stations, military posts,  
and for military uses; and for the purpose of acquisition  
and improvement of property for such purposes, may  
incur debt, issue bonds and levy taxes as otherwise  
provided in this constitution. The state or any of  
its agencies, political corporations or subdivisions  
may likewise maintain, in cooperation with or on  
behalf of the United States or any agency thereof,  
any right of way, servitude or easement acquired in  
connection with the construction or improvement of  
any artificial or natural waterway, any highway or  
railroad bridge spanning any such waterway.

(C) This Section shall not be held to prohibit  
any municipality from leasing or letting out to any

person or persons, association or corporation, public  
or private, a hospital, clinic, sanitarium or any other  
institution, together with all incidental premises  
in connection therewith, belonging to or standing in  
the name of the municipality, provided the lease shall  
require a minimum of two percent per annum rental  
fee based on the total value of the facility at the  
date of the execution of the lease and provided that  
the question of granting such lease shall be previously  
submitted to the resident property taxpayers qualified  
to vote in the municipality wherein such lease is sought  
to be granted at an election called for that purpose  
and a majority of those voting, in number and amount,  
vote in favor thereof. Such election shall be called  
and held under existing laws providing for the calling  
and holding of elections to decide the question of  
incurring debt, issuing bond, and levying special taxes.  
Provided further, said lease shall assure the public,  
the leased premises shall be exclusively used for the  
main purpose for which same was acquired by the municipality.

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~~and the use thereof and said lease shall not be  
inconsistent with said purpose.~~

Source: La. Const. Art. IV, §12 (1921).

Section 12. Release of Obligation to State,  
Parish or Municipal Corporation; Taxes on  
Confiscated Property

Section 12. The legislature shall have no  
power to release or extinguish, or to authorize the  
releasing or extinguishment, in whole or in part,  
of the indebtedness, liability, or obligation of any  
corporation or individual to the state, or to any  
parish or municipal corporation thereof; provided,  
the heirs to confiscated property may be released  
from all taxes due thereon at the date of its reversion  
to them.

Source: La. Const. Art. IV, §13 (1921).

Section 13. Legislation to Enable Compliance with  
Federal Laws and Regulations to Secure Federal  
Aid in Capital Improvement Projects

Section 13. The legislature may enact  
legislation to enable the state, its agencies,  
municipalities and parishes and their agencies to  
comply with federal laws and regulations in order  
to secure federal participation in the cost of capital  
improvement projects, and the legislature may authorize  
the use of funds, dedicated to such agencies of gov-  
ernment for other purposes, to meet the requirements of  
the federal statutes, including, by way of example,  
but not with the intention of limitation, providing,  
relocation assistance payments, housing for relocatees,  
and similar federal requirements. Whenever the legis-

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1 lature enacts such legislation, to comply with federal  
 2 requirements for participation in construction projects,  
 3 the legislature may extend the legislation to include  
 4 similar projects financed entirely by state and local  
 5 governments. Such payments shall be in addition to  
 6 just compensation for property rights.  
 7  
 8 Source: La. Const. Art. IV, §18 (1921).

CC-235 TENTATIVE FINAL DRAFT

1 Constitutional Convention of Louisiana of 1973  
 2 COMMITTEE PROPOSAL NUMBER  
 3 Introduced by Delegate Rayburn, Chairman on behalf of the  
 4 Committee on Revenue, Finance and Taxation, and Delegates  
 5 Alario, Badeaux, Brown, Champagne, Chehardy, Conroy,  
 6 De Blieux, Edwards, Fontenot, Lowe, McDaniel, Mauberret,  
 7 Mire, Newton, Nunez, Planchard, Roemer, Schmitt, Slay,  
 8 Smith, Triche, and Winchester.

A PROPOSAL

12 For tax structure.

13 Be it adopted by the Constitutional Convention of Louisiana of 1973:

ARTICLE \_\_\_\_\_

Section 1. Power to Tax; Public Purpose

17 Section 1. The power of taxation shall be vested in the  
 18 legislature and shall never be surrendered, suspended, or con-  
 19 tracted away; and shall be imposed for public purposes only.

21 Source: La. Const. Art. X, §1, ¶1 (1921).

23 Comment: Continues the existing provision vesting the taxing  
 24 authority in the legislature and imposed the tax only for  
 25 public purposes. Remainder of the source provision is  
 26 covered by the property tax provision.

Section 2. Power to Tax; Limitation

29 Section 2. The levy of a new tax and any increase in an  
 30 existing tax and any repeal of an existing exemption from a  
 31 tax shall require the favorable vote of two-thirds of the  
 32 members elected to each house of the legislature, as evi-  
 33 denced by a recorded vote. A like vote shall be necessary  
 34 for the adoption of amendments to bills proposing the same  
 35 and to reports of conference committees.

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1 Source: La. Const. Art. III, §25.1; Art. X, §1(a) (1921).

3 Comment: Requires two-thirds vote on all tax matters, thus

4 making no substantive change in the present law.

Section 3. Collection and Refund of Taxes

7 Section 3. The collection of taxes shall not be re-  
 8 strained, and procedures shall be provided for the re-  
 9 covery of illegal taxes paid.

11 Source: La. Const. Art. X, §18 (1921).

13 Comment: This provision is substantially the same as Art. X,  
 14 §18, La. Const. 1921.

16 Section 4. Limitations on Taxing Power; Graduated  
 17 Rates, Severance Tax, and Subdivisions of the State

18 Section 4. (A) Equal and uniform taxes may be levied  
 19 upon net incomes, and such taxes may be graduated according  
 20 to the amount of net income, provided the state individual  
 21 income tax rate on the first ten thousand dollars of tax-  
 22 able income for single return or twenty thousand dollars of  
 23 taxable income for joint return shall not exceed two percent.

24 (B) Taxes may be levied on natural resources severed  
 25 from the soil or water, to be paid proportionately by the  
 26 owners thereof at the time of severance. Natural resources  
 27 may be classified for the purpose of taxation and such taxes  
 28 may be predicated upon either the quantity or value of the  
 29 products at the time and place of severance. No further or  
 30 additional tax or license shall be levied or imposed upon  
 31 oil, gas, or sulphur leases or right, nor shall any addi-  
 32 tional value be added to the assessment of land, by reason  
 33 of the presence of oil, gas, or sulphur therein or their,  
 34 production therefrom. Likewise, severance taxes shall be  
 35 the only tax on timber; provided that standing timber shall

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1 be and remain liable equally with the land on which it  
 2 stands, for ad valorem taxes levied on said land.

3 (C) Political subdivisions of the state shall not levy  
 4 taxes on income, natural resources severed from soil or  
 5 water, or motor fuel, and any occupational license taxes  
 6 levied by a political subdivision shall not be greater than  
 7 those imposed by the state, and the total amount of any  
 8 occupational license tax levied by a parish shall be reduced  
 9 by the amount of any municipal occupational license tax  
 10 levied.

Section 5. Annual Motor Vehicle License Tax

13 Section 5. The legislature shall impose an annual  
 14 license tax of three dollars on automobiles for private  
 15 use; on all other motor vehicles, an annual license tax  
 16 based upon horsepower, carrying capacity, or weight, any or  
 17 all. No parish or municipality may impose any license fee

8 on motor vehicles.  
9  
10 Source: La. Const. Art. VI, §22(a) (1921).  
11  
12 Comment: No substantial change in the law.

24 Section 6. Forestry

25 Section 6. Forestry shall be practiced in this state,  
26 and the legislature shall enact laws therefor.

28 Source: La. Const. Art. VI, §2, ¶1 (1921).

30 Comment: This provision is substantially the same as the  
31 first paragraph of Article VI, Section 2. It provides  
32 for the practice of forestry and authorizes the legis-  
33 lature to make provisions therefor. The section deletes  
34 the provision of Section 2 which authorizes parish gov-  
35 erning authorities to levy acreage taxes not exceeding

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1 two cents per acre.

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1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For tax structure.

6 PROPOSED SECTIONS:

7 Article \_\_\_\_\_, Section 1. Power to Tax; Uniformity;

8 Public Purpose

9 Section 1. The power of taxation shall be vested in  
10 the legislature and shall never be surrendered, suspended,  
11 or contracted away; and shall be imposed for public pur-  
12 poses only.

14 Source: La. Const. Art. X, §1, ¶1 (1921).

16 Comment: Continues the existing provision vesting the taxing  
17 authority in the legislature and imposed the tax only for  
18 public purposes. Remainder of the source provision is  
19 covered by the property tax provision.

21 Section 2. Power to Tax; Limitation

22 Section 2. The levy of a new tax and any increase in  
23 an existing tax shall require the favorable vote of two-  
24 thirds of the members elected to each house of the legis-  
25 lature, as evidenced by a recorded vote. A like vote  
26 shall be necessary for the adoption of amendments to bills

27 proposing the same and to reports of conference committees.

28

29 Source: La. Const. Art. III, §25.1; Art. X, §1(a) (1921).

30

31 Comment: Requires two-thirds vote on all tax matters, thus  
32 making no substantive change in the present law.

33

34 Section 3. Collection and Refund of Taxes

35 Section 3. The collection of taxes shall not be e-

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1 strained, and procedures shall be provided for the re-  
2 covery of taxes illegally paid.

4 Source: La. Const. Art. X, §18 (1921).

6 Comment: This provision is substantially the same as Art. X,  
7 §18, La. Const. 1921.

9 Section 4. Resource Severance Fund

10 Section 4. Three-fourths of the timber severance tax,  
11 one-third of the sulphur severance tax, one-fifth of the  
12 tax on all other natural resources, and one-tenth of the  
13 royalties from mineral leases granted by the state shall  
14 be remitted to the governing authority of the parish from  
15 which the natural resources were severed; however, the  
16 amount of severance tax on minerals so remitted shall not  
17 exceed two hundred thousand dollars annually.

19 Source: La. Const. Art. X, §51, 21; Art. IV, §2, ¶3 (1921).

21 Comment: Continues the existing dedication of a portion of the  
22 revenue from severance taxes and mineral royalties to parish  
23 es from which severed. Deletes the existing requirement that  
24 limitation royalties be used for transportation purposes.

26 Section 5. Limitations on Taxing Power; Graduated Rates,  
27 Severance Tax, and Subdivisions of the State

28 Section 5. (A) Taxes on income shall be graduated  
29 according to the amount of net income.

30 (B) Severance taxes shall be the only tax on natural  
31 resources severed from soil or water and shall be imposed  
32 only when the resources are severed.

33 (C) Political subdivisions of the state shall not levy  
34 taxes on income, natural resources severed from soil or  
35 water, or motor fuel, nor shall any occupational license

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1 taxes levied by any political subdivision be greater than  
2 those imposed by the state.

4 Source: La. Const. Art. V, §§1 ¶2, 5, 8, 21; Art. XIV, §24.1 (1921).

5  
6 Comment: Provides for limitation on taxes on incomes, sever-  
7 ance taxes, and taxing power of political subdivisions.  
8 Requires that taxes on incomes be graduated as present  
9 law does. The words "equal" and "uniform" have been  
10 eliminated since they are ambiguous when used in providing  
11 for a graduated income tax. The references to exemption  
12 have been eliminated because "...the power to exempt  
13 from taxation, as well as the power to tax, is an essen-  
14 tial attribute of sovereignty, and are generally granted  
15 only when and to the extent that they may be deemed to  
16 conserve the general welfare. The power to exempt may  
17 be exercised in the constitution or in a statute, unless  
18 the constitution expressly or by implication prohibits  
19 action by the legislature on the subject." (See 84 C.J.S.  
20 414-415.)

21 Also, reference to the income tax schedule of rates  
22 has been deleted which gives the legislature greater  
23 flexibility in establishing the tax rate and base for  
24 the state income tax schedule.

25 The limitation on severance taxes on natural re-  
26 sources represents no substantive change in the present  
27 law. The \$1.03 per ton tax ceiling on sulphur is deleted  
28 since it is already statutory law. (See La. R.S. 47:633.)

29 The limitation on the taxing power of political  
30 subdivisions has been expanded to include a prohibition  
31 of the taxing of incomes. The prohibition against  
32 political subdivisions taxing natural resources covered from  
33 soil or water and motor fuel represents no change in the present  
34 law. The limitation in occupational license taxes has been  
changed to include alcoholic beverages. Art. X, §8.

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1 Section 6. Annual Motor Vehicle License Tax

2 Section 6. The legislature shall impose an annual  
3 license tax of three dollars on automobiles for private  
4 use; on all other motor vehicles, an annual license  
5 tax based upon horsepower, carrying capacity, or weight,  
6 any or all.

8 Source: La. Const. Art. VI, §22 (a) (1921).

10 Comment: No substantial change in the law.

12 Section 7. Forestry

13 Section 7. Forestry shall be practiced in this  
14 state, and the legislature shall enact laws therefor.

16 Source: La. Const. Art. VI, §2, ¶1 (1921).

18 Comment: This provision is substantially the same as  
19 the first paragraph of Article VI, Section 2. It  
20 provides for the practice of forestry and authorizes  
21 the legislature to make provisions therefor. The  
22 section deletes the provision of Section 2 which  
23 authorizes parish governing authorities to levy  
24 acreage taxes not exceeding two cents per acre.

ASSESSMENT OF AGRICULTURAL PROPERTY

TO THE HONORABLE DELEGATES OF THE LOUISIANA CONSTITUTIONAL CONVEN-  
TION OF 1973

MAY IT PLEASE THE DELEGATES:

This brief is submitted on behalf of Louisiana Farm Bureau Federation, Inc. as spokesman for the agricultural interests of the State of Louisiana. Farm Bureau is a voluntary non-profit organization comprised of some 36,000 farm families in Louisiana. The principal purpose of Louisiana Farm Bureau is to promote the growth and development of farming and agricultural pursuits in the State of Louisiana, not only for the benefit of its members, but for the good and well being of the State of Louisiana and all its citizens.

I. PROPERTY TAX LAWS IN TURMOIL

Due to recent changes in the Constitution and Laws of the State of Louisiana, and decisions of the Courts relative to the subject of assessment of property for ad valorem tax purposes, there is a great deal of confusion in the minds of the public and public officials as to what the law is or should be. The delegates of the Constitutional Convention have a rare opportunity and duty to explore the complexities of this problem and attempt to bring some order out of the chaos which presently exists. Our organization will limit its recommendations on this subject to only one area, namely, the assessment of agricultural lands. This brief is designed to point out why agricultural lands should be treated differently from non-agricultural lands and to explain how this problem is being resolved in other states.

II. AGRICULTURE IS IMPORTANT TO THE STATE OF LOUISIANA

a. Economic Impact:

For generations, agriculture has been the economic mainstay of the State of Louisiana. While our state is becoming increasingly industrialized, agriculture still plays a major role in our economy. Total sales of agricultural products in the State of Louisiana in one year amount to more than one billion (\$1,086,000,000.00) dollars. Processing of these raw agricultural products adds over one and one-half billion (\$1,531,466,000.00) dollars to their value, thus increasing the gross agricultural income in the State of Louisiana to the staggering sum of \$2,618,138,000.00. Investment in land, buildings, machinery and equipment for agricultural purposes in Louisiana amounts to more than 4 3/4 billion (\$4,767,000,000.00) dollars. All of these statistics, with breakdown by commodity, are shown on a chart marked Exhibit "A" attached hereto and made part hereof. The agricultural industry could be jeopardized and crippled unless adequate safeguards are provided in the property tax field. The State and

the nation can ill afford the collapse of the agricultural industry.

b. Environment

Ecology is a big word in our vocabulary today. Yet, many of us do not realize what a significant role agriculture plays in the protection of our environment. Green acres purify polluted air through the natural action of green plants. These plants, through a chemical transformation process, converts carbon dioxide into oxygen. The significance of this process was discovered and put to good use in England in the 1930's. A twenty mile swath of open spaced farmland and forest was provided in and around the City of London and called the "Green Belt". The results were so gratifying that it prompted the noted author, John Gunther, to comment in his book, "Twelve Cities":

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"Even the weather has changed". City planners throughout the U.S. have recognized this phenomenon and are reserving green belts in and around their cities for ecological and environmental reasons.

c. Water Supply

There is no shortage of water in Louisiana this year, but there could be a problem in future years as industrial usage of water increases. Land in agriculture serves as a watershed to collect and conserve water. Agriculture conserves more water than it uses. In times of excess rainfall, such as we are experiencing this year, agricultural land tends to slow down water runoff, hence reducing floods. In addition, agricultural land permits percolation of water into the ground to replenish underground streams and reservoirs.

III. INCREASE IN LAND VALUES JEOPARDIZE AGRICULTURE

As Louisiana becomes more urbanized, and as our population increases, the demand for land increases and so does its value. In some areas of Louisiana, particularly near our cities, agricultural land has become too valuable to farm. Economic facts demand sale for industrial or commercial use, or for subdivisions. If a farmer cannot earn enough to pay for his farm, he cannot stay in business. We are at the point now where many farmers can only continue farming because they inherited property or acquired it when it was cheap. If they had to buy the land, they could not justify the investment based upon the anticipated yield. The Department of Agricultural Economics at L.S.U. has furnished us with charts showing the average market value of land used for various commodities in Louisiana (Exhibit "B"), and the average use value of said land based on capital-

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ization of earnings at 10% per annum. These charts are attached to and made part of this brief. In summary, they show that the market value of sugar cane land is \$750.00 per acre, but the farmer could only pay \$300.00 per acre, based on anticipated earnings from sugar farming (Exhibit "C"). Using

the same formula, cotton land sells for \$640.00 per acre, but the use value is only \$125.00 per acre (Exhibit "D"). Rice land brings \$550.00 per acre on the market, but the farmer can only justify \$185.00 (Exhibit "E"). Soy bean land brings \$380.00 per acre, but its value based on earnings is \$278.00 (Exhibit "F"). Many of the farm operators in this State are faced with the dilemma of whether to sell their land for industrial uses and enjoy far greater return on their investment from interest and dividends, or to continue struggling along on their farms with a lesser return. The answer for many may be determined by the manner and amount of assessment on their property and the impact of ad valorem taxes thereon.

IV. PROPOSED SOLUTION - "GREEN BELT LAW" - PRECEDENT IN OTHER STATES

Many other states have recognized the problems discussed hereinabove and have attempted to resolve them by legislation and constitutional amendments. The object of this legislation is to provide incentives to landowners to permit property to remain in agricultural or horticultural use rather than to have it sold for commercial, industrial or subdivision purposes. This incentive can best be offered by adopting special assessment procedures for agricultural lands. Laws which are specially designed to preserve agricultural and forest lands are generally referred to as "Green Belt" laws. In some areas, the emphasis is not on agriculture, as such, but on preserving open lands for parks and playgrounds, and for the aesthe-

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tic values which nature provides to our society. Such lands are preserved by means of zoning laws or ordinances sometimes called "Open Space" laws. All of these laws, regardless of what they are called, are based on the recognition that green belts and open spaces are beneficial to our society and some legislation and regulation is necessary if they are to be preserved. Since 1963, there has been considerable legislative activity throughout the country dealing with this subject. There have been rather extensive studies made on the problems of assessment and taxation of agricultural lands. Copies of some of the literature on the subject are attached to and made part of this brief for reference. Two of these publications deserve special comment. "Use Value Assessment, A Study Based on Loudoun County, Virginia", discusses the laws adopted in other states and explains the problems which have been encountered in these states and concludes that use value assessment can be a valuable tool to aid in developing desirable communities in which to work and live. (p. 39) The Legislative Research Council of the Commonwealth of Massachusetts made an in-depth study of the problem and prepared an excellent written report on assessment of Agricultural land published on February 20, 1970. This report also reviews the actions taken by other states through the year 1969. The Council concluded its report by recommending a constitutional amendment which would provide that agricultural or horticultural lands shall be valued, for the purpose of taxation, according to their agricultural or horticultural uses.

According to the Massachusetts report, some form of use-value assessment was in operation or being considered in more than half of the 50 states as of 1970. At that time, of 42 states which answered the Research Bureau's questionnaire, only four assessed all property uniformly and had not considered use-value assessment (Ala., La., Ohio and Wyo.) (p.11). Since the Massachusetts report

was issued, more states have moved toward the use-value concept, so there is ample precedent for this approach.

The details vary from state to state, but the general concept is the same. Agricultural lands must be assessed differently

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from non-agricultural lands and the assessment should be based on use value rather than market value.

The voters of the State of Massachusetts, in November of 1972 overwhelmingly approved the green belt constitutional amendment by an affirmative vote of 71%.

It is significant that industrial states such as New Jersey and Massachusetts have seen the need to adopt such laws. It would be tragic and ironic if Louisiana, whose economy is far more farm-oriented than that of these Eastern states, would fail to take necessary legislative action to preserve our farm lands and forests.

To avoid abuses, the legislature can, and should, impose safeguards. There are any number of qualifications which can be specified to insure that this law serves the purposes for which it is intended. Common features which appear in a number of the green belt laws adopted by other states, include the following:

1. **Formal Application.** Some states provide that granting of a special assessment is not automatic. The owner must file an application, and this application must be acted upon by the proper authorities. Eligibility requirements may be provided. Massachusetts requires that the land be in farm use for at least two years before it becomes eligible.
2. **Bona Fide Farmers Only.** To prevent speculators and land developers from taking advantage of any tax benefits provided under this program, it may be stipulated that the special assessment provisions shall apply to, and be available only, to bona fide farmers. Some states provide that a bona fide farmer is one who earns a substantial portion of his income from agricultural pursuits (perhaps a fraction, such as one-fourth, one-third or one-half, within the discretion of the legislature).
3. **Minimum Area.** To insure that the protected property is large enough to be operated effectively as a farm and to avoid the temptation to classify homesites as "farms", some states require a minimum acreage (five acres or more) or a minimum annual dollar production (\$500.00 gross sales) of agricultural products.
4. **Formula for Capitalization of Earnings.** In order to put this program into effect, there must be a formula for determining use value based upon production potential and capitalization of earnings. Capitalization of earnings is a well known technique used in appraisals to determine value. Agricultural economists can develop statistics showing the production potential of certain types of land in certain crops, and considering the costs incident to the growing and the harvesting of the crops, can establish the use value of the land. The

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technical determination of use value can be made by a special committee or commission established by law to perform this function. In New Jersey, a State Farmland Evaluation Advisory Committee is responsible for annually determining the range of values for each of the agricultural land classifications. Such a committee or commission could be established in Louisiana, if our lawmakers choose to do so. It would seem that details of the formula and the manner in which the green belt law would be applied should be left to the legislature and should not be included in the Constitution. There should be a general statement of policy in the Constitution, however, to the effect that assessment of agricultural lands should be based upon their use value for agricultural purposes, and not upon their market value. The Constitution should authorize appropriate legislation on the subject not inconsistent with this policy. Special care should be taken to insure that no language is retained in the Constitution which could conflict with this general policy.

5. **Constitutional Issue.** The present laws of the State of Louisiana do not permit property to be assessed according to use rather than market value. As a practical matter, the assessors in some Parishes have been assessing property by classification as provided in R.S. 47:1988. (This statute was repealed by Act 13 of the Extraordinary Session of the 1972 Legislature) Even under this statute, land was not being valued according to any formula based upon production potential or capitalization of earnings. Instead, the Assessor and the Tax Commission used the classification system as a guide to achieve some type of uniformity in assessing lands. Thus, swamp land might be assessed at one figure, pasture land at another, and cropland at still another. Much of our farm property in Louisiana is assessed at values

which are within the range of the use value for agricultural purposes. No credit can be given to the law as written for these assessments, however. In view of the recent Court decision in the Bussie suit, it is questionable whether such assessments could stand a Court test unless the laws and the Constitution are changed to expressly authorize special treatment for agricultural land. We recommend, therefore, that the green belt laws be given constitutional protection against such a Court test by expressly authorizing this special method of assessment for agricultural lands. Timber is now given special treatment in the Constitution (Art. X, Section 1), so there is precedent even in Louisiana for such action.

6. **Deferred Taxation-Roll Back.** Some states provide that if farm lands are converted to another use, an adjusted tax should be levied for the year in which the land use changes and for a fixed number of the preceding years. This is sometimes referred to as a "deferred tax" or a "rollback tax". This rollback may go back for a fixed period of years (2 or 3) and the additional tax would be based upon the difference between the amount paid on the use value assessment and the amount which would have been collected had the land not been in farm use. Again, details of such a provision could be left to the discretion of the Legislature.

These are some of the safeguards which can be employed. We are not prepared at this time to suggest the exact clauses which should be

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enacted by the legislature. We do not believe the Constitutional Convention should concern itself with such details. The above described restrictions are mentioned for purposes of background information and to illustrate the types of limitations the legislature might impose to prevent abuse.

#### V. SUGGESTED LANGUAGE OF CONSTITUTIONAL PROVISION.

Again, with no intent to usurp the power and authority of the delegates to fashion the language of the new constitution of Louisiana, we offer for the consideration of the delegates, the following draft:

#### PROPOSED AMENDMENT TO ARTICLE X, SECTION I OF THE LOUISIANA CONSTITUTION OF 1921:

"For the purpose of developing and conserving agricultural lands, such lands shall be assessed for the purpose of taxation, according to their use value rather than their market value."

We humbly suggest that this or similar language should be included in the new Constitution. For purposes of comparison, the delegates may wish to examine the following amendment adopted in Massachusetts, quoted verbatim on page 40 of the report of the Legislative Research Council:

#### " ARTICLE OF AMENDMENT.

Art. . . Full power and authority are hereby given and granted to the general court to prescribe, for the purpose of developing and conserving agricultural or horticultural lands, that such lands shall be valued, for the purpose of taxation, according to their agricultural or horticultural uses; provided, however, that no parcel of land which is less than five acres in area or which has not been actively devoted to agricultural or horticultural uses for the two years preceding the tax year shall be valued at less than fair market value under this article."

VI. Justification for Special Treatment. While many of the delegates are farm oriented and understand the problems peculiar to the farming industry, some of the delegates may wonder why agriculture deserves special treatment. For these doubters, we suggest a few of the more salient reasons.

A. Necessity. Agriculture produces food and fiber for a rapidly growing population. If we think meat prices are high now, imagine what will happen if we drive a few more producers out of business, thereby further reducing the supply of meat. The same goes for grain, fruits and vegetables. There are many industries we could do without in time of emergency, if we had to -- agriculture is not one

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of them.

B. Quality of Life. Aside from the food and fiber

aspects, croplands and green belts enhance the quality of life for non farmers. The aesthetic values have been touched on hereinabove.

C. Fair Treatment.

1. Competition with other States. Farm operations today are highly mobile. Major crops can be raised in different states. A large soybean producer may elect to do business in any of a number of states. If he has a tax advantage in Arkansas, Mississippi or Alabama, why should he farm in Louisiana? Since many of our surrounding states have or are considering green belt legislation, we should not discriminate against our local producers and perhaps drive them out of the state.

2. Competition within the state. The whole thrust of the tax equalization movement is the idea that it is wrong to discriminate against taxpayers. Yet, there is considerable discrimination now between farmers, depending upon where their farms are located. Why should a farmer near a large city be taxed out of business just because his farm happens to be in close proximity to a city while another farmer raising the same crop in a rural area enjoys a low assessment.

D. Open land requires less public services. Farm land generally requires much less services per acre than non-farm land. The farmer, therefore, is paying more than his fair share for such services as schools, fire and police protection, streets, drainage and garbage disposal. This inequity can be offset to some extent by tax relief in the form of an appropriate green belt law.

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E. Farmers are Price Takers, Not Price Makers.

Most non agricultural producers set the price of their products. Not so with farmers. They are at the mercy of the elements in the production process and at the mercy of the market after harvest. They cannot pass on their increased costs to the consumer.

F. Farmers are Conservationists. Farmers are constantly improving the quality of land. Some recognition should be given for their role as conservationists in preserving a valuable renewable resource for generations to follow.

SUMMARY

Any substantial increase in ad valorem taxes on farm land could be disastrous. Because of the Bussie law suit and the recent revisions in our tax laws, farmers are concerned about how changes may affect them. Evidence of this concern is reflected in a recent article by Dr. Clyde St. Clergy, Extension Economist, Louisiana Cooperative Extensive Service, entitled "Assessment of Agricultural Land", a copy of which is attached hereto and marked Exhibit "G", for reference.

As we stated at the outset, the delegates to this convention have a real challenge before them, and a rare opportunity to mold a Constitution that will serve and protect all segments of our society and economy. We submit that the future of agriculture in Louisiana hinges upon the tax base of farm lands. We trust that the Honorable Delegates to the Convention will recognize the importance of this issue and will act favorably upon this request. Louisiana Farm Bureau offers its full cooperation and assistance in connection with

the research and drafting of appropriate language designed to accomplish the objectives set forth hereinabove.

Respectfully submitted,

LOUISIANA FARM BUREAU FEDERATION, INC

By: Louis D. Curet  
General Counsel

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EXHIBIT "A"

Total value of land in Louisiana Agriculture and Agricultural Income for 1972 are as follows:

Total value of:	
Land & Buildings	\$4,338,000,000
Machinery & Equipment	429,600,000
Total	\$4,767,600,000

Gross Agricultural Income - 1972

Farm Income	
Crops	\$751,722,000
Livestock	334,900,000
Total	\$1,086,622,000

Value Added by Processing

Crops	\$1,305,698,000
Livestock	204,758,000
Total	\$1,510,456,000

Total Agricultural Income \$2,618,138,000

1972 Income and Value Added by Processing for Commodities are as follows.

Commodity	Gross Farm Value	Value Added	Total
Cotton	\$146,306,000	\$11,498,000	\$157,804,000
Rice	110,828,000	24,604,000	135,432,000
Sugarcane	91,491,000	53,065,000	144,556,000
Soybeans	130,600,000	15,678,000	146,278,000
Feed Grain	9,800,000	980,000	10,780,000
Hay	4,125,000		4,125,000
Pecans	6,300,000	7,200,000	13,500,000
Sweet Potatoes	18,574,000	25,600,000	44,174,000
Strawberries	2,909,000	2,909,000	5,818,000
Ornamentals	6,700,000	6,700,000	13,400,000
Tree Fruit	3,804,000	3,804,000	7,608,000
Vegetable Gardens	34,344,000		34,344,000
Other Horticultural			
Crops	18,374,000	22,500,000	40,874,000
Forestry	167,465,000	1,152,159,000	1,319,624,000
Cattle & Calves	160,000,000	48,000,000	208,000,000
Milk	86,691,000	90,100,000	176,791,000
Horses	14,001,000		14,001,000
Poultry	60,940,000	60,940,000	121,880,000
Sheep	373,000	18,500	391,500
Swine	8,007,000	3,203,000	11,210,000
Fisheries	4,937,000	2,496,000	7,433,000

EXHIBIT "B"

Average Market Value of Farm Land by Major Commodity\*

Commodity	Value per Acre
Cotton	\$640
Sugarcane	\$750
Rice	\$550
Soybeans	\$380
Pasture	\$275

\* Estimates based on reports by county agents of recent sales.

EXHIBIT "C"

Estimated Variable, Fixed and Total Costs Per Acre of Sugarcane and Gross and Net Income and Value of at 10%

Item	Value/Acre
Variable Costs <u>1/</u>	215.00
Fixed Costs <u>2/</u>	
Equipment	15.40
3 Tractors <u>3/</u>	12.45
Harvester <u>4/</u>	12.67
Total Fixed Costs	40.52
Total Costs	255.52
Gross Income <u>5/</u>	285.60
Net Income	30.08
Value of land @ 10%	300.80

1/ From 1971 study conducted by county agents and analyzed by Lloyd A. Carville, Specialist, Farm Management.

2/ Estimated from selected studies and estimates.

3/ Tractors valued at \$8,500 - 6 year life.

4/ Harvester \$26,000 - 6 year life.

5/ Yield 27.2 tons @ \$10.50/ton.

EXHIBIT "D"

Estimated Variable, Fixed and Total Costs Per Acre of Cotton (solid planted) and Gross and Net Income and Value of at 10%

Item	Value/Acre
Variable Costs	170.80
Fixed Costs	
Equipment <u>1/</u>	10.05
2 Tractors	8.25
Harvester	10.25
Total Fixed Costs	28.55
Total Costs	199.35
Gross Income	
Lint - 600# @ \$.30	180.00
Seed - 1,140# @ \$.028	31.92
Total Gross Income	211.92
Net Income	12.57
Value of land @ 10%	125.70

1/ Does not include spray equipment; insect control is by air.

EXHIBIT "E"

Estimated Variable, Fixed and Total Costs Per Acre of Rice and Gross and Net Income and Value of at 10%

Item	Value Per Acre
Variable Costs <u>1/</u>	\$121.13
Fixed Cost	--
Equipment	10.73

2 Tractors <u>2/</u>	13.90
Combine <u>2/</u>	11.33
Total Fixed Cost <u>3/</u>	35.96
Total Cost	157.00
Gross Income <u>4/</u>	175.50
Net Income	18.50
Value of Land at 10%	\$185.00

1/ From Cash Cost Study, 1971 Crop Year by Lloyd A. Carville, Specialist, Farm Management, Cooperative Extension Service

2/ Based on 450 Acres, Combine \$23,000 - 6 year life, Tractor \$9,500 - 6 year life

3/ Includes fixed costs on machinery only, does not include building or land.

4/ Based on 27 bbl. average yield \$6.50 green weight value for farmers in Cash Cost Study, 1971 Crop Year by Lloyd A. Carville, Specialist, Farm Management, Cooperative Extension Service

EXHIBIT "F"

Estimated Variable, Fixed and Total Costs Per Acre of Soybeans (with fertilizer) and Gross and Net Income and Value of at 10%

Item	Value/Acre
Variable Costs <u>1/</u>	63.63
Fixed Costs	
Equipment	10.05
2 Tractors	8.25
Combine	10.25
Total Fixed Costs	28.55
Total Costs	92.18
Gross Income - 30 bu. @ \$4.00	120.00
Net Income	27.82
Value of land at 10%	278.20

1/ Based on data from the rice area, 1971 crop year.

EXHIBIT "G"

Assessment of Agricultural Land\*

Farmers in Louisiana are faced with a major problem, that if not corrected could have an impact upon production costs and possibly the very future of the agricultural industry. The problem can be traced to a recent court decision that requires all real property in the state to be assessed at its actual cash value. Fortunately, Louisiana is in the process of rewriting the state constitution. If the new constitution is accepted by the people of the state, its contents regarding farm land assessments will take precedence over the recent court ruling. Thus, it is critical that agricultural interests in the state make every effort to insure that an equitable provision for assessment of agricultural lands be included in the new constitution.

Present Assessment Practices

Most assessors in the state use a classification system to determine assessed value of agricultural land in the state. The best land in cultivation in the parish is placed in a Class A category, the next best is classified as Class B and the least valuable as Class C. Lands used for

grazing or livestock are classed as Pasture land. The acreage assessment rates used for each classification vary significantly from parish to parish. However, a study conducted by the Public Affairs Research Council of Louisiana found that agricultural lands were assessed at an average of 14.6% of actual cash value. If we assume a 100 acre farm with an actual cash value of approximately \$56,875, the assessed valuation and approximate ad valorem taxes paid would be as follows:

\* Prepared by Clyde St. Clergy, Extension Economist, Louisiana Cooperative Extension Service.

Actual Cash Value

Best land - 50 acres @ \$750	\$37,500
Next best land - 20 acres @ \$500	10,000
Least valuable - 15 acres @ \$350	5,250
Pasture land - 15 acres @ \$275	<u>4,125</u>
<b>Total</b>	<b>\$56,875</b>

Assessed Valuation

Class A (50 acres) - \$37,500 x 14.6%	\$5,475
Class B (20 acres) - \$10,000 x 14.6%	1,460
Class C (15 acres) - \$5,250 x 14.6%	766
Pasture land (15 acres) - \$4,125 x 14.6%	<u>602</u>
<b>Total</b>	<b>\$8,303</b>
Less homestead exemption	\$2,000
Advalorem taxes to be paid on	\$6,303
Average advalorem taxes for state (40.02 mills)	\$253
Average advalorem taxes per acre	\$2.53

Impact of 100% Assessment of Actual Market Value

If we were to assume 100% of assessment and no roll back in advalorem taxes the tax rate on a 100 acre farm would be as follows:

Actual Cash Value and Assessed Value

Best land - 50 acres @ \$750	\$37,500
Next best land - 20 acres @ \$500	10,000
Least valuable - 15 acres @ \$350	5,250
Pasture land - 15 acres @ \$275	<u>4,125</u>
<b>Total</b>	<b>\$56,875</b>

Less homestead exemption	\$2,000
Advalorem taxes to be paid on	\$54,875
Average advalorem taxes for state (40.02 mills)	\$1,796
Average advalorem taxes per acre	\$17.96

An excellent analysis of the impact of 100% assessment without a roll back in advalorem taxes on tenant farmers, prepared by Mlood Canille, Specialist, Farm Management, Louisiana Cooperative Extension Service is attached.

Arguments For Preferential Assessments On Farm Land

There are many arguments for preferential assessment of farm land; such as to maintain a future land supply, to keep an emergency reserve of good land for national defense, to preserve an area for recreation, clean air, etc. However, there are two basic arguments that are very critical to the problem.

Property tax as a means of obtaining revenue is based on two major concepts. The first is that property ownership constitutes a good measure of a person's ability to pay. This concept was developed in early times when the United States was a rural nation and agriculture was the dominant industry. This is no longer true. In fact, rural farm per capita income is only 3/4 of urban non-farm per capita income. Thus, the ability to pay can no longer be measured on the basis of the number of acres owned. The second concept is that land owners within a taxing district receive most of the advantages of local government and should be willing to pay for these advantages. This may have been true when the concept was first developed. However, how many farmers receive the benefits of improved fire

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protection, better medical facilities, improved highways, etc. - which supposedly also enhance property value? Very few, but his city cousin living in a nearby town or city on a 75' by 150' lot does. Actually the farmer with his larger land area generally ends up subsidizing most of the benefits for his nearby city cousin.

The second basic argument for preferential treatment is based on the fact that the actual cash value of farm land does not reflect the true value of the land when considered on the basis of its productivity or the ability to pay for its use.

The present market value of most farm land is an inflated value. It is inflated primarily for two reasons. First, as the American people have become more affluent, more and more non-farm people have entered the land market in competition with farmers for available farm land. They do this because of a belief that with an ever increasing population and a fixed or limited land base, that land values will continue to increase and; therefore, this is a good hedge against inflation. In addition, deep within most of us there is a desire to someday return to the land. In any event, most of these individuals are not concerned with the ability of the land to pay for itself.

The second reason for inflated farm land values can be traced to government programs. In an effort to control production of selected crops, an allotment system was initiated and price supports and payments tied directly to the allotments. Over the years, the value of the allotments were capitalized into the land values. While government policy regarding allotments appear to be changing, there is no clear evidence that the original impact upon land values has receded.

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It can be readily documented that this is a valid argument. Table 1 indicates current land values for land capable of producing major food crops. Tables 2 through 5 indicate the average net income potential of these major crops. If we were to assume that the net income would continue year after year into the distant future, then we can determine the land's worth on the basis of its productivity by using the formula  $V = a/r$ , in which V represents the value of the property, a represents the estimated average annual net return and r represents the rate of interest to be used. The interest rate selected is based on average mortgage rates of 7-1/2 percent and a 2-1/2 percent risk factor for a total of 10 percent.

Table 6 indicates that when all costs are considered, the value of

farm land based on its productivity, does not approach its market value. Thus, it would be unreasonable and unfair to assess farm land at its present inflated market value.

Preferential Assessment of Farm Land

The problem of how to assess farm land has been a problem or concern to many states. In a recent study conducted by the Legislative Research Council of Massachusetts, it was found that out of the 42 states that answered their questionnaire, only four states assessed all farm land uniformly and had not considered some form of a preferential assessment procedure. The study found that eleven states have enacted preferential assessment laws. In addition, nine other states have preferential assessment in combination with deferred taxation features.

Just what are we talking about when we say preferential assessment? Generally when preferential assessment is used land owners have an assessment based on use-value for tax purposes. The concept can be used alone

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or tied to tax deferral, planning and zoning, and easements. A general description of each of the four methods follows:

Use-Value -- laws based on use-value provide that farm land is to be assessed on the basis of value in agricultural use and other potential uses are to be ignored. Generally a clear definition of what constitutes a farm is written into the law to help guide assessors in their evaluation. Determination of use value requires special information about farm land and new procedures in computing its worth. Under this system the land owner pays a lower tax and the public recovers nothing when the land changes hands.

Tax Deferral -- Under this system, tax assessors are required to record annually two values on each piece of farm property: (1) the market value; and (2) the use-value. As long as the property remains in farming and is not sold, taxes are based on the use-value. Should the property be sold or change use, that amount equal to the difference between the market value and the use-value becomes taxable. Generally, an adjusted tax is levied for the year in which the land is sold or changed use and for a fixed number of preceding years established by the state. The "roll back" period varies in length from state to state. The cost of tax deferral, in effect, is shared jointly by the public and the property owners.

Planning and Zoning -- Under this system, the people in a taxing district decide how the land is to be used (planning) and then fix its use through a zoning ordinance. Laws in states that have used this method provide that farm land, which is zoned exclusively for farm use, shall be assessed at its true cash value for farm uses and not at the market cash value. Generally, this method is used in states with high population densities and are primarily concerned with preserving the remaining open land.

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Easements -- Like planning and zoning, easements are used only in those states where the rapid loss of valuable farm land to other uses is occurring. Land is kept in agricultural use by means of an agreement between the farmer and the local government. The farmer agrees to keep

his land in agricultural use for a certain period of time, five to ten years, and in return is granted an assessment related to this use by the local government. This plan is most effective when it is the product of long range land planning.

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Table 1. Average Market Value of Farm Land by Major Commodity\*

Commodity	Value Per Acre
Cotton	\$640
Sugarcane	\$750
Rice	\$550
Soybeans	\$380

\* Estimates based on reports by county agents of recent sales.

Table 2. Estimated Variable, Fixed and Total Costs Per Acre of Sugarcane and Gross and Net Income

Item	Value Per Acre
Variable Costs <u>1/</u>	\$215.00
Fixed Costs <u>2/</u>	
Equipment	15.40
3 Tractors <u>3/</u>	12.45
Harvester <u>4/</u>	12.67
Total Fixed Costs	40.52
Total Costs	255.52
Gross Income <u>5/</u>	285.63
Net Income	30.08

1/ From 1971 study conducted by county agents and analyzed by Lloyd A. Carville, Specialist, Farm Management.

2/ Estimated from selected studies and estimates.

3/ Tractors valued at \$8,500 - 6 year life.

4/ Harvester \$26,000 - 6 year life.

5/ Yield 27.2 tons @ \$10.50/ton.

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Table 3. Estimated Variable, Fixed and Total Costs Per Acre of Cotton (solid planted) and Gross and Net Income

Item	Value Per Acre
Variable Costs	\$170.00
Fixed Costs	
Equipment <u>1/</u>	10.05
2 Tractors	8.25
Harvester	10.25
Total Fixed Costs	28.55
Total Costs	199.35
Gross Income	
Lint - 600# @ \$.30	180.00
Seed - 1,140# @ \$.028	31.92
Total Gross Income	211.92
Net Income	12.57

1/ Does not include spray equipment; insect control is by air.

Table 4. Estimated Variable, Fixed and Total Costs Per Acre of Rice and Gross and Net Income

Item	Value Per Acre
Variable Costs <u>1/</u>	\$121.13
Fixed Costs	
Equipment	10.73
2 Tractors <u>2/</u>	13.90
Combine <u>2/</u>	11.33
Total Fixed Costs <u>3/</u>	35.96
Total Costs	157.00
Gross Income <u>4/</u>	175.50
Net Income	18.50

- 1/ From Cash Cost Study, 1971 Crop Year by Lloyd A. Carville, Specialist, Farm Management, Cooperative Extension Service.
- 2/ Based on 450 acres, combine \$23,000 - 6 year life, tractor \$9,500 - 6 year life.
- 3/ Includes fixed costs on machinery only, does not include building or land.
- 4/ Based on 27 bbl. average yield \$6.50 green weight value for farmers in Cash Cost Study, 1971 Crop Year by Lloyd A. Carville, Specialist, Farm Management, Cooperative Extension Service.

Table 1. Crop Land Harvested by Tenant-Full Owners, Part Owners and Tenants for Selected Parishes - 1959 Census of Agriculture

Parish	Full Owners		Part Owners		Tenants		Total
	Acres	%	Acres	%	Acres	%	
Rice area							
Acadia	21,150	12	102,250	59	49,443	29	68
Jeff Davis	21,008	10	108,433	53	74,312	36	69
Vermilion	25,755	15	104,767	63	36,172	22	85
Sugarcane area							
LaFourche	7,860	17	21,502	46	17,593	37	63
St. James	3,099	13	8,169	34	13,077	54	68
St. Mary	4,055	8	28,682	59	15,956	33	92
Cotton area							
Madison	48,185	32	71,074	47	32,477	21	68
Natchitoches	24,503	39	32,604	51	6,286	10	61
Rapides	16,194	21	38,891	51	20,801	27	78

Table 1 shows that the percentage of cropland harvested by part-owners and tenants ranged from 61% in Natchitoches Parish to 92% in St. Mary. In the sugarcane and rice areas the percent land rented exceeds 50%.

The normal rent charged is 1/5 of the crop. However, there are many agreements made for 1/4 of the crop for rent. Even at these rates the

\*Prepared by Lloyd A. Carville, Specialist, Farm Management, Louisiana Cooperative Extension Service.

Table 5. Estimated Variable, Fixed and Total Costs Per Acre of Soybeans (No Fertilizer) and Gross and Net Income

Item	Value Per Acre
Variable Costs <u>1/</u>	\$56.75
Fixed Costs	
Equipment	9.85
2 Tractors	8.25
Combine	10.25
Total Fixed Costs	28.35
Total Costs	85.10
Gross Income - 30 bu. @ \$3.00	90.00
Net Income	5.10

- 1/ Based on data collected in the rice area less the cost of fertilizer, 1971 crop year.

land owner is not over charging upon the value of the land and interest on his investment is considered.

Table 2 presents some data on land values, rent per acre and interest on investment.

Table 2. Land Value Per Acre, Interest on Investment, and Rental Rates for Selected Crops, Prices and Yields

Crop	Land Value Per Acre	Interest on Investment at 7.0%	Yield at 1/5 Price Per Unit of Land	Average Price Per Unit of Land	Value of Rent	Difference Between Interest on Investment and Rental	
Cotton	640	\$44.80	1,740 lbs. @ \$0.00	\$1.22	\$42.45	-2.35	
Rice	550	38.50	27.0 bbls.	5.40	35.91	-2.59	
Sugarcane	750	52.50	27.2 tons	5.44	10.50	+7.21	
Soybeans	360	26.60	30.0 bu.	6.00	7.75	16.50	-17.31

1/ Prices and yields based on estimated 3 year average yields.

Table 2 shows that with 1/5 of the crop the land owners rent can exceed his interest on investment at 7% only for sugarcane and this margin is only \$7.21.

It should be realized that the land owner has to pay taxes, insurance and fence repair and in many instances part of the cost of production.

Recent tax rates (1967) are shown in Table 3.

Table 3. Tax Rates Per Acre for Selected Parishes in 1967 and Value of Tax at 100% Assessment on Estimated Current Market Values

Parish	Mills	Estimated Land Value	Tax
Acadia	40.58	\$550 <u>1/</u>	\$22.52
Jeff Davis	39.91	550	21.95
Vermilion	57.52	550	31.64
LaFourche	71.10	750	53.32
St. James	40.54	750	30.40
St. Mary	37.46	750	28.09

Impact of 100% Assessments on Part Owners and Tenants

Land is one of the four essential resources for farming. In some general areas of the state more than one-half of the land used for production is rented. In some local areas the percentage is even higher.

In the rice, sugarcane and cotton areas the percent of rented land and part owners is shown in Table 1 for selected parishes.

Table 1 (continued)

Parish	Mills	Estimated Land Value	Tax
Madison	51.75	640	33.11
Matchitoches	52.60	640	33.66
Landier	71.44	\$640	\$45.72

1/ A 1/4 acre parcel of land containing 50 acres, sold for \$1000 per acre for farming.

It can be seen that if tax rates this high are used and land is assessed at 100% market value, the land lord would have to increase rent charges to the tenant to maintain his interest on his investment. The data presented below shows that the farmer (land owner or renter) could not survive over the long run with this added cost.

Table 4 presents the affect that 100% assessment would have on the land owner in the sugarcane area. Even the land rent is not included when the costs of all tangible resources are covered, the return to management is \$0.37.

The average tax rate for the three sugar producing parishes mentioned above is 49.70 mills or \$37.27 an acre. This would result in -\$36.90 per acre return to management.

Table 4. Estimated Costs and Returns to Management Per Acre of Sugarcane and the Cost of Taxes at Varying Mills Per Acre of 100% Assessed Value - \$750 Per Acre Owner Operated Farm

Item	Value Per Acre
Variable Costs 1/	\$87.41
Fixed Cost	
Machinery and Equipment	40.52
Land (interest only) @ 7%	52.50
Buildings 2/	4.80
Total Cost Per Acre	285.23
Gross Income \$10.50/ton on 27.2 tons	285.60
Returns to management	.37

Table 4 (continued)

Mills	Value Per Acre
100 mills	110.00
30 mills	29.50
40 mills	30.00
50 mills	37.50
75 mills	58.95
100 mills	\$74.60

1/ Land rent not included.  
2/ Includes derricks, fences, bridges, etc. as well as buildings - home not included.

Table 5 shows the affect on owner operated land for cotton.

Table 5. Estimated Costs and Returns to Management Per Acre of Cotton and the Cost of Taxes at Varying Mills Per Acre of 100% Assessed Value - \$640 Per Acre - Owner Operated Farm

Item	Value Per Acre
Variable Costs	\$234.61
Fixed Costs	
Machinery	28.55
Buildings	3.95
Land \$640/acre @ 7%	44.80
Total Costs	311.91
Gross Income	316.81
Net Income	5.10
Mills Per Acre	
20	12.80
30	19.20
40	25.60
50	32.00
60	38.00
70	44.80
80	51.20
90	57.60
100	\$64.00

Table 6 shows the affect that 100% assessment could have on owner operated farm.

Table 6. Estimated Costs and Returns to Management Per Acre of Rice and the Cost of Taxes at Varying Mills Per Acre of 100% Assessed Value - \$500 Per Acre - Owner Operated Farm

Item	Value Per Acre
Variable Costs 1/	101.95
Fixed Cost	
Machinery	35.96
Buildings	4.20
Land \$550/acre @ 7%	38.50
Total Cost	167.61
Gross Income	175.50
Net Income	7.89
Mills Per Acre	
20	11.00
30	16.50
40	22.00
50	27.50
60	33.00
70	38.50
80	44.00
90	49.50
100	55.00

1/ Land rent not included.

**MINUTES**

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 5, State Capitol  
Baton Rouge, Louisiana  
Wednesday, July 11, 1973, 10:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

- |          |                            |         |                  |
|----------|----------------------------|---------|------------------|
| Present: | John A. Alario             | Absent: | Risley C. Triche |
|          | Mrs. Carolyn Badeaux       |         |                  |
|          | Sen. James Brown, Jr.      |         |                  |
|          | Walter J. Champagne        |         |                  |
|          | Lawrence Chehardy          |         |                  |
|          | David Conroy               |         |                  |
|          | Sen. J.D. De Blieux        |         |                  |
|          | Frank Edwards, Jr.         |         |                  |
|          | Clyde Fontenot             |         |                  |
|          | Herman "Monday" Lowe       |         |                  |
|          | Dr. Claude Mauberrret, Jr. |         |                  |
|          | J.A. McDaniel              |         |                  |
|          | Pegram Mire                |         |                  |
|          | Autley Newton              |         |                  |
|          | Sen. Samuel Nunez, Jr.     |         |                  |
|          | A.J. Planchard             |         |                  |
|          | Charles E. Roemer, III     |         |                  |
|          | Earl J. Schmitt            |         |                  |
|          | Charles Slay               |         |                  |
|          | Jasper K. Smith            |         |                  |
|          | F.D. Winchester            |         |                  |

The meeting was called to order and a quorum was ascertained.

Delegate Slay offered a motion to approve the minutes of the meetings of May 10-12 and June 14-16, 1973. There being no objection, it was so ordered.

Delegate Mire, president, La. Assessor's Association, presented a proposal prepared by them at this time with general discussion by the committee following.

Delegate Lowe offered a motion that a letter of receipt be sent to the Student Constitutional Convention for their suggested proposal that was submitted to the committee. There being no objection, it was so ordered.

Delegate McDaniel offered a motion to recess till 9 a.m. July 12, 1973. There being no objection it was so ordered.

*B.B. Rayburn*  
Chairman

July 11, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll*	Call							
ALARIO	✓								
BADÉAUX	✓								
BROWN	✓								
CHAMPAGNE	✓								
CHEHARDY	✓								
CONROY	✓								
DEBLIEUX	✓								
EDWARDS	✓								
FONTENOT	✓								
LOWE	✓								
McDANIEL	✓								
MAUBERRET	✓								
MIRE	✓								
NEWTON	✓								
NUNEZ	✓								
PLANCHARD	✓								
RAYBURN	✓								
ROEMER	✓								
SCHMITT	✓								
SLAY	✓								
SMITH	✓								
TRICHE	✓								
WINCHESTER	✓								

\*Check mark- Present  
"x" - Absent

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973  
Committee Room 5, State Capitol  
Baton Rouge, Louisiana  
Thursday, July 12, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John A. Alario  
Mrs. Carolyn Badeaux  
Walter J. Champagne  
Lawrence Chehardy  
David Conroy  
Sen. J.D. De Blieux  
Frank Edwards, Jr.  
Clyde Pontenot  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Maubert, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Charles E. Roemer, III  
Earl J. Schmitt, Jr.  
Charles Slay  
Jasper K. Smith  
F.D. Winchester

Absent: Sen. James Brown, Jr.  
Risley C. Triche

The meeting was called to order and a quorum was ascertained.

The chairman informed the committee that he had received several requests from persons wishing to make presentations before the committee. It was decided by the committee that a letter should be sent to each person desiring to speak stating that they would be notified of the time and date the committee will hold public hearings. There being no objection, it was so ordered.

The committee then continued their discussions on the property tax proposal submitted by Delegate Mire et al.

Delegate Newton offered a motion to recess for the day

subject to call. There being no objection, the meeting stood recessed.

*B. B. Rayburn*  
Chairman

July 12, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll*	Call							
ALARIO	✓		no						
BADÉAUX	✓		yes						
BROWN									
CHAMPAGNE	✓		yes						
CHEHARDY	✓								
CONROY	✓		no						
DEBLIEUX	✓		yes						
EDWARDS	✓		yes						
FONTENOT	✓		yes						
LOWE	✓		no						
McDANIEL	✓		yes						
MAUBERRET	✓		yes						
MIRE	✓		no						
NEWTON	✓		yes						
NUNEZ	✓		no						
PLANCHARD	✓		yes						
RAYBURN	✓								
ROEMER	✓		no						
SCHMITT	✓		no						
SLAY	✓		yes						
SMITH	✓		no						
TRICHE									
WINCHESTER	✓		no						

\*Check mark- Present  
"x" - Absent

De Blieux's substitute motion on the committee's working the rest of the day.

carried 10-9

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973  
Committee Room 4, State Capitol  
Baton Rouge, Louisiana  
Wednesday, July 18, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

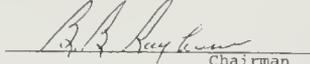
Present: John A. Alario, Jr.  
Mrs. Carolyn Badeaux  
Walter J. Champagne  
Lawrence Chehardy  
David Conroy  
Sen. J.D. De Blieux  
Frank M. Edwards, Jr.  
Clyde Pontenot  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Maubert, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Charles E. Roemer, III  
Charles Slay  
F.D. Winchester

Absent: Sen. James Brown, Jr.  
Earl J. Schmitt, Jr.  
Jasper K. Smith  
Risley C. Triche

The meeting was called to order and a quorum was ascertained. Delegate Newton presented a proposal on property taxation to the committee at this time prepared by him and several other members of the committee. There was general discussion by the committee with questions being asked of Delegate Newton.

Delegate Newton then offered a motion that the committee recess until such time Friday as the convention schedule would permit. Delegate Mauberret offered a substitute motion that the committee meet Thursday morning at 9 a.m. if the convention does not meet. The substitute motion failed with a vote of 9-10 by the committee.

The committee then recessed at 11:40 a.m.

  
Chairman

ISSUES TO BE CONSIDERED  
BY THE COMMITTEE ON REVENUE, FINANCE AND TAXATION  
CONCERNING PROPERTY TAXATION

Constitutional Status of Property Taxation

The legislature (1) can enact legislation on any subject not prohibited by the constitution, and (2) is specifically vested with the power of taxation. Therefore, perhaps the first decision which must be made is: Is it in the best interest of the state to (a) include in the new constitution a provision relative to the ad valorem property tax? or (b) should the matter be left to the legislature?

If constitutional provision is made, the following questions will require consideration:

- A. Will the property tax be restricted to the local level, or will the constitution authorize or require both state and local property taxes?
- B. If there is a state property tax, should there be a rate limitation?
- C. If no state tax is to be provided for, will there be a constitutional prohibition against state ad valorem taxation?

D. Valuation

- 1. What basis for valuing property will be incorporated into the constitution (if any):
  - a. Actual cash value?
  - b. Fair market value?
  - c. Use value?
- 2. Should agricultural, horticultural, and timber lands be valued at use value?

E. Classification

- 1. Should there be classification of property?
  - a. Should the legislature be empowered to classify property?
  - b. Should classification of property be included in the constitution?

F. Assessment

- 1. Assessment Value
  - a. Should there be a limitation on assessment value?
  - b. Should assessment values be in the constitution or in the statutes?
  - c. Should property be listed on the assessment rolls at the assessed value or fair market value (use value)?

G. Exemptions

- 1. Should the constitution contain any exemptions from ad valorem taxes and, if so, which ones? or, should the constitution authorize the legislature to grant any

such exemptions and, if so, should any limitation be placed on legislative authority?

2. Homestead

- a. Definition: statutory or constitutional?
- b. Amount: statutory or constitutional?
- c. Should a tax exemption be extended to renters (to equalize benefit of homestead exemption granted to homeowners)?
- d. Should special treatment be granted veterans?
- e. Should special treatment be granted senior citizens?

H. Assessor

- 1. Number and selection in Orleans and other parishes.
- 2. Duties and authority: should these be incorporated into the constitution or left to the statutes?
- 3. Procedure of assessment: should it be in constitution or statutes?
  - a. Should the taxpayer have a right of review of assessment by:
    - 1. Assessor?
    - 2. Tax Commission?
    - 3. Court?
  - b. Should there be periodic revaluation and reassessment? Should there be a roll-back provision?
- 4. Should there be constitutional sanctions for willful error by the assessor in the performance of his duty? Should this be left to the legislature?
- 5. Should the assessor be bonded?
  - a. By constitutional provision?
  - b. By statute?

-2-

III. Tax Commission: Powers, Duties, and Functions

- A. By constitutional provision?
- B. By statute?

-3-

July 18, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll* Call								
ALARIO	✓	yes							
BADEAUX	✓	no							
BROWN									
CHAMPAGNE	✓	no							
CHEHARDY	✓	yes							
CONROY	✓	no							
DEBLIEUX	✓	no							
EDWARDS	✓	yes							
FONTENOT	✓	no							
LOWE	✓	no							
MCDANIEL	✓	no							
MAUBEPPRET	✓	yes							
MIRE	✓	yes							
NEWTON	✓	no							
NUNEZ	✓	yes							
PLANCHARD	✓	yes							
RAYBURN	✓	no							
ROEMER	✓	no							
SCHMITT									
SLAY	✓	yes							
SMITH									
TRICHE									
WINCHESTER	✓	yes							

\*Check mark- Present  
"x" - Absent

Mauberret substitute motion to meet Thursday morning at 9 a.m. if the convention does not meet.

FAILED 9-10

MINUTES

July 26, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of Louisiana of 1973 Committee Room 4, State Capitol Baton Rouge, Louisiana Thursday, July 26, 1973, 9:00 a.m.

Roll Call table with columns for names and checkboxes. Names include ALARIO, BADEAUX, BROWN, CHAMPAGNE, CHEHARDY, CONRDY, DEBLIEUX, EDWARDS, FONTENOT, LOWE, McDANIEL, MAUBERRET, MIRE, NEWTON, NUNEZ, PLANCHARD, RAYBURN, ROEMER, SCHMITT, SLAY, SMITH, TRICHE, WINCHESTER.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John A. Alario, Jr. Mrs. Carolyn Badeaux Walter J. Champagne Lawrence Chehardy David Conroy Sen. J.D. De Blieux Frank M. Edwards, Jr. Clyde Fontenot J.A. McDaniel Dr. Claude Mauberret, Jr. Pegram Mire Autley B. Newton Sen. Samuel Nunez, Jr. A.J. Planchard Charles E. Roemer, III Earl J. Schmitt, Jr. Charles Slay Jasper K. Smith Absent: Sen. James Brown, Jr. Herman "Monday" Lowe Risley C. Triche F.D. Winchester

\*Check mark- Present "x" - Absent

The meeting was called to order by the chairman and a quorum was ascertained.

Delegate Conroy informed the committee that Article IV, Section 4 of the 1921 Constitution concerning special and local laws was being considered by the convention under the Committee on Legislative Powers and Functions' proposal No. 3.

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 4, State Capitol Baton Rouge, Louisiana Friday, July 27, 1973, 9:00 a.m.

Since their proposal did not include all of the provisions of the local and special laws as presently in the constitution, Delegate Conroy suggested that the paragraphs of that section assigned to this committee be presented in the form of an amendment to the Committee on Legislative Powers and Functions' proposal.

Present: John A. Alario, Jr. Mrs. Carolyn Badeaux Sen. James Brown, Jr. Walter J. Champagne Lawrence Chehardy David Conroy Sen. J.D. De Blieux Frank Edwards, Jr. Clyde Fontenot J.A. McDaniel Pegram Mire Autley B. Newton Sen. Samuel Nunez, Jr. A.J. Planchard Earl J. Schmitt, Jr. Charles Slay Jasper K. Smith Absent: Herman "Monday" Lowe Dr. Claude Mauberret, Jr. Charles E. Roemer, III Risley C. Triche F.D. Winchester

Delegate Newton offered a motion that since both committees were considering special and local laws, this should be sent to the coordinating committee for action. There being no objection, it was so ordered.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

The meeting was called to order by the chairman and a quorum was ascertained.

Delegate Planchard offered a motion that the chairman appoint a delegation of six members to work out the differences in the two proposals concerning Article IV, Section 4 with the representatives of the Committee on Legislative Powers and Functions.

The committee resumed discussion on the property tax proposal, CC-1151 Newton et al..

Delegate Chehardy offered a substitute motion for the chairman to appoint four members of the committee to handle the negotiations with the Committee On Legislative Powers and Functions. There being no objection, it was so ordered. The chairman appointed Delegates Conroy, Newton, Planchard, and Chehardy.

The committee recessed at 12:05 p.m.

Delegate Newton resumed discussion on the property tax proposal, CC-1151 Newton et al., with the committee.

July 27, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

The committee recessed at 11:50 a.m.

Roll Call table with columns for names and checkboxes. Names include ALARIO, BADEAUX, BROWN, CHAMPAGNE, CHEHARDY.

Signature of B.B. Rayburn, Chairman



\$ 128,049,628  
 x .0407  
 \$ 5,211,619.82

Minutes of the meeting of the Committee  
 on Revenue, Finance and Taxation of the  
 Constitutional Convention of 1973  
 Committee Room 4, State Capitol  
 Baton Rouge, Louisiana  
 Tuesday, August 7, 1973, 2:00 p.m.

- Page 2 -

The total land assessments lost (\$ 128,049,628) subtracted from the present Orleans Parish land assessment (\$ 271,491,747) would result in the new taxable land assessment value for the parish.

\$ 143,442,119

Land assessments in Orleans Parish are known to be, at the least, ten (10) per cent of value. This new taxable land assessment value (\$ 143,442,119) would, at the present, represent one-tenth of the taxable land value.

Under the proposed five (5) per cent land assessment ratio of the Louisiana Assessors Association, however, this \$ 143,442,119 valuation (10% of value) would be reduced in half----a decrease that would result in a tax loss of \$ 2,919,047.

\$ 143,442,119 (10% of value)  
 - 71,721,059 (5% of value)  
 \$ 71,721,060 Total land assessment remaining

Taxes lost as a result of reduction of assessment ratio

\$ 71,721,059  
 x .0407  
 \$ 2,919,047

Total estimated tax loss:

\$ 5,211,619  
 + 2,919,047  
 \$ 8,130,666

- Page 3

Last year land assessments in our Central Business District were equal to at 33%. If this assessment ratio is to be reduced to 5%, it could result in a loss of about \$65 million in land assessments.

In the Vieux Carre section of the downtown area, a loss of \$11 million in assessments would result.

Thus, 60% of all downtown property land assessments would be shifted away from the highest and wealthiest commercial uses in the City.

The proposed increase in homestead exemptions from \$2,000 to \$10,000 would have a similar effect. We estimate that \$140 million of homeowner assessments would be eliminated.

If homeowners are to continue to enjoy the same level of services, then this burden would probably have to be shifted to the small scale commercial properties and renters.

In New Orleans we have tried in certain areas to raise the assessment of land in order to discourage land speculation and to encourage better land utilization. A 5% assessment ratio on rural land may make very good sense. We don't know. But we do think that a 5% assessment level on land in concentrated urban areas makes no sense at all.

At this time we do not have enough information to suggest what fixed assessment ratios should go into the Constitution. What information we do have indicates very definite harmful effects.

Therefore, we can only request that local governing authorities be permitted to determine, within reasonable guidelines, those assessment ratios and millage rates at the local level.

It is only at the local level that these decisions can be made, for that is where the best information is available, and where government is the most sensitive and responsive to local conditions and needs.

Thank you.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John A. Alario, Jr. Absent: Mrs. Carolyn Badeaux  
 Walter J. Champagne Sen. James Brown, Jr.  
 Lawrence Chehardy Herman "Monday" Lowe  
 David Conroy Earl J. Schmitt, Jr.  
 Sen. J.D. De Blieux Charles Slay  
 Frank M. Edwards, Jr. Jasper K. Smith  
 Clyde Fontenot Risley C. Triche  
 J.A. McDaniel  
 Dr. Claude Mauberret, Jr.  
 Pegram Mire  
 Autley B. Newton  
 Sen. Samuel Nunez, Jr.  
 A.J. Planchard  
 Charles E. Roemer, III  
 F.D. Winchester

The meeting was called to order by the chairman and a quorum was ascertained. The agenda for the day consisted of a number of speakers wishing to relate to the committee their position on ad valorem taxation.

The chairman recognized the first speaker, Mr. Arthur Webb, of the American Legion who made a brief statement before the committee stating that they would prefer the veteran's exemption be left at \$5,000. (Copy of statement attached and made a part of these minutes)

The chairman then recognized the next speaker, Mr. Robert Manard, of the Chamber of Commerce of the New Orleans Area, who informed the committee that they "opposed the assessment plan put forward by the La. Assessor's Association" and would prefer a short statement in the constitution on ad valorem taxation leaving the details to the legislature. (Copy of statement attached and made a part of these minutes)

Mr. E. W. Stagg, executive director of the Council for a Better Louisiana, was next on the agenda to present his views on property taxation. In the conclusion of his comments, he stated, "Let the assessors, with the help of the Tax Commission determine the value of property. Then let whatever assessment ratio is desired be applied to all property alike. Thus you avoid favoritism." (Copy of statement attached and made a part of these minutes)

The chairman recognized the next speaker, Mr. Henri Wolbrette, II, executive vice president, La. Chemical Association. Several of his recommendations to the committee were that homestead exemptions and 10-year industrial property tax exemptions be abolished after the adoption of this constitution. (Copy of statement attached and made a part of these minutes)

Delegate Roemer offered a motion at this time, seconded by Delegate McDaniel, that the Public Affairs Research Council be invited to appear before the committee on a day certain to explain their property tax proposal. After a lengthy discussion, the motion carried with a vote of 11-2 by the committee.

Delegate De Blieux then offered a motion to allow all of the remaining speakers to present their testimonies before the

-2-

committee at this meeting. Delegate McDaniel offered a substitute motion that we hear the next speaker on the agenda, Mr. Thaddeus Marcell, and then recess until 9:00 a.m. the following day. The substitute motion failed to carry with a vote of 6-7 by the committee.

The next speaker recognized by the chairman was Mr. Thaddeus Marcell, of the La. Association of Tax Administrators. His statements were in reference to Section 4, paragraph (C) of the committee's final proposal, CC-1076, dealing with a tax on natural resources severed from the soil or water.

The chairman then recognized Mr. William D. Reeves, of the Orleans Parish School Board, who urged the committee to adopt an assessment plan that would be fair and equal, but yet would not reduce, through action of this convention, the funds available to local governing bodies. (Copy of statement attached and made a part of these minutes)

The chairman then recognized the last speaker on the agenda that was present, Mr. Kirby Ducote, representing the La. Catholic Conference. Mr. Ducote's comments were in reference to the exemptions concerning places of religious worship, nonprofit hospitals, etc.

The committee then recessed at 6:30 p.m. until 9:00 a.m. Wednesday morning.

*B. B. Roy*  
Chairman

-3-

August 7, 1973

Debbie Pratt

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll* Call	No	Yes						
ALARIO	✓								
BADEAUX									
BROWN									
CHAMPAGNE	✓	--	--						
CHEHARDY	✓	No	Yes						
CONROY	✓	Yes	No						
DEBLIEUX	✓	Yes	No						
EDWARDS	✓		No						
FONTENOT	✓	Yes							
LOWE									
MCDANIEL	✓	Yes	Yes						
MAUBERRET	✓	Yes	No						
MIRE	✓	Yes	Yes						
NEWTON	✓	Yes	Yes						
NUNEZ	✓	Yes	Yes						
PLANCHARD	✓	Yes	No						
RAYBURN	✓								
ROEMER	✓	Yes	No						

SCHMITT									
SLAY									
SMITH									
TRICHE									
WINCHESTER	✓	Yes	No						

\*Check mark- Present  
"X" - Absent

11-2  
6-7  
Roemer's motion to invite a representative of PAR to speak to the committee.  
McDaniel's substitute motion to De Blieux's motion to complete Henri Wolbrette's testimony, hear Thaddeus Marcell and then recess till 9:00 a.m. the next morning.

LOUISIANA DEPARTMENT, THE AMERICAN LEGION  
VETERANS HOMESTEAD EXEMPTION

Mr. Chairman and Members of the Committee:

I am Arthur Webb, Jr., State Commander of Louisiana Department, The American Legion here to discuss with you the matter of exemptions on homesteads for war veterans provided in Section 4, Article X of the present Constitution. Here with me is Mr. Wilson J. Hebert, State Adjutant of the Louisiana Department of The American Legion. All members of the veterans organizations are vitally concerned with the preservation and continuation of homestead exemptions for Louisiana veterans.

I shall not attempt to give you a scholarly presentation on the technicalities of property taxation or the impact of exemptions on property taxes. That is not our field. Instead we shall attempt to bring to your attention what we know the great majority of veterans in Louisiana want regarding homestead exemptions, what the veterans organizations in the state support in this regard and what a majority of the electorate of this state have repeatedly demonstrated by their approval at the polls.

A total of eight proposed amendments dealing with homestead exemptions have won voter approval. This is a good record and should prove conclusively that the people of Louisiana want our veterans to have the additional homestead exemption benefit.

The purpose of the first additional exemption of \$3,000.00 which began in 1947 was to encourage the World War II veteran whose progress in life had been interrupted by military service to purchase a home and permanently establish himself and to alleviate some of the burden of taxes on the home for a five year period while he acquired financial stability. Although the first Amendment stipulated a maximum of five years exemption it also imposed a deadline of 1951 after which the exemption could not be claimed. This 1951 deadline proved to be an error in foresight by the drafters of the Amendment.

It was apparent by 1948 that a large number of World War II veterans who were training for vocations or professions under the G. I. Bill would not achieve an employment status to qualify for purchase of homes prior to the deadline. A second Amendment extended the deadline thru 1954 and in 1952 it was extended through 1959 and Korean veterans were included for eligibility. Subsequent Amendments, all following the five year pattern have extended the deadline and provided eligibility to veterans of World War I and Vietnam.

The last and current Amendment, Article X, Section 4, Par. 9(b.4), provides an additional five year exemption to veterans of World War I, World War II, Korean Conflict and veterans who served in Vietnam with exemptions beginning with 1970 and continuing through 1975.

The same situation exists today which existed after World War II resulting in extensions of the deadlines. Many Vietnam veterans will not need to purchase or be in a position to purchase a home for several years. The present 1975 deadline will deprive these

veterans of some or all of the homestead exemption benefit when they do acquire a home. Some World War II and Korean veterans are now buying homes for the first time. The federal

"G. I. Loan" Program which enables most veterans to purchase a home is still open to all veterans and has no expiration date.

To emphasize the size and impact of the Veterans Administration "G. I. Home Loan" Program in Louisiana, we would like to point out that since World War II a total of 131,000 loans have been approved for more than seven billion dollars. In 1973 a total of 6,000 loans were approved for more than 126 million dollars and applications are increasing sharply. The G. I. Home Loan Program and Veterans Homestead Exemption Program complement one another.

Now we come to the basic question. Should homestead exemption for veterans be included in the proposed Constitution? Our answer and recommendation to you is if homestead exemption is provided directly in the Constitution, as surely it must, then veterans exemption should also be provided. Some of you are probably tired of hearing the phrase "protection of the Constitution", but objective political realism tells us that a Constitution does offer a certain protection against political whims or expediency. Further, a Constitutional provision assures uniform statewide implementation whereas Legislative Acts may contain exceptions.

Recent repeal of the state Ad Valorem Tax is immaterial to the basic question. It is predicted that local taxing authorities in search of additional revenue will rapidly initiate or increase existing property taxes to absorb the millage eliminated by the state. Veterans Homestead Exemption covers parish taxes, etc.

We respectfully submit the following recommendations:

1. The \$7,000,000 homestead exemption provided to veterans has been repeatedly approved as a Constitutional provision by the electorate and should be included in a new document to insure uniform implementation in all parishes and protection against political expediency.
2. Every veteran who performed military service in World War I, World War II, the Korean Conflict, or at any time after January 31, 1955 and prior to the official termination of the Vietnam hostilities should be provided the exemption benefit.
3. To assure fair and equitable treatment to all eligible veterans there should be no deadline terminating veterans homestead exemption.

CHAMBER OF COMMERCE OF THE NEW ORLEANS AREA



STATEMENT

OF

CHAMBER OF COMMERCE OF THE NEW ORLEANS AREA

TO

REVENUE, FINANCE AND TAXATION COMMITTEE OF THE LOUISIANA CONSTITUTIONAL CONVENTION OF 1973

PRESENTED BY

ROBERT L. MUMFORD, JR. PRESIDENT CHAMBER OF COMMERCE OF THE NEW ORLEANS AREA

The Chamber of Commerce of the New Orleans Area opposes the assessment plan put forward by the Louisiana Assessors' Association because:

1. The plan to establish classifications of property reverses the national trend away from classification. For instance, Minnesota recently abolished all classifications because throughout the years special interests had been able to secure preferred treatment to the extent that almost 100 classes of property were listed. This is only one example to show that classification programs tend to work for the benefit of those who can put forward the strongest lobbying programs and thus work against the groups which are unorganized and which cannot afford intensive lobbying efforts. In other words, the classification system works to the benefit of special interests, and is not, as the assessors claim, a deterrent to these special interests.

2. The program as introduced is purely demagogic and silly, appealing to the emotions, and is not accompanied by any research to show its effects. What will it cost the governing authorities? Will it discourage new business from entering the area? What will happen to distribution centers which may find the extra burden on inventory unbearable? We already know that many distribution centers are leaving the state and going to Texas because of the inventory tax burden--will this plan increase this already sizeable loss? Business now pays 76% of all taxes in Louisiana, which is higher than any other state. Certainly, under this plan it would pay more.

For instance, Section 9 of the proposal says that public bodies which levy millage must adjust these millages so no property owner pays more under the new program than he did under the old. With the varying assessment ratios in effect in the past it would be necessary to have different millages for almost every piece of property in order to do this when all property within a classification is assessed at the same percentage. This would be impractical and illegal.

The Chamber of Commerce of the New Orleans Area has a number of objections to the proposed classifications--it is a step toward the creation of a class system, it says that the plan is a "class system" and that any person, no matter how intelligent, who is able to arouse a charismatic response in the voters can be put in the position of determining what is to be done. The Chamber of Commerce is concerned about the economic future of our state.

The Chamber would like the Constitutional Convention to limit the constitutional provision on ad valorem taxes to a simple statement enabling the legislature and local and parochial governments to levy such taxes. Details of such programs could be traced legislatively later on, after a study has been made putting the ad valorem tax in proper perspective with other tax programs--in other words, after a review of the entire tax picture--sales, income and ad valorem. In our opinion, it is improper to consider these separately--they are all part of the same picture. We ask that the CC-73 Committee on Revenue, Finance and Taxation give the assessors' plan an unfavorable report.

Carroll  
A  
B  
L  
L

HEADQUARTERS FIDELITY NATIONAL BANK BUILDING P O BOX 2978 BATON ROUGE LOUISIANA 70821

STATEMENT CONCERNING PROPERTY TAX PROPOSALS \*

TELEPHONE 342-5229

At the outset, I would like to say that it seems we are now making some major progress in accepting concepts leading toward an equalization of assessments. This Committee on Revenue and Taxation has proposals which go considerable distance toward a program for equitable assessment of real property.

It is well that this is so, if for no other reason than that the state is faced with court decisions which require movement toward equitable administration

of the property tax. Of these two suits, the one to which I would direct your particular attention is the one filed in our state courts. A district judge has ruled:

1. The Louisiana Tax Commission must perform its assigned duty under present law to value all property in Louisiana at actual cash value.
2. The Tax Commission shall take appropriate steps to secure uniformity and equalization in assessment of property.
3. The Tax Commission has until January 1, 1975 to devise a plan to meet the first two requirements.

\* Statement by Edward W. Stagg, Executive Director,  
Council for A Better Louisiana, Baton Rouge, Louisiana.

- 2 -

I would call your attention to language in the state district court decision which said, after examining many provisions of Louisiana statutes:

"It, therefore, can be readily seen that there is considerable merit to the argument that under the existing laws, the Tax Commission must fix and administer valuation of property in Louisiana and in such a manner as to insure equality in assessment. However, the Court is of the opinion that a stronger foundation for equalization may be laid on the basis of basic constitutional principles. For it is clear that a systematic irregularity of assessment of property of the same class is an unconstitutional discrimination against one who is compelled by such a system to pay more than his fair share of the aggregate tax."

Elsewhere in the decision, the Court cites extensively rulings of the federal courts requiring equity in assessment of property.

What this means for this Committee is that if a provision is framed which does not meet the federal constitutional requirements for equity, the provision in a new constitution can be challenged in the federal courts.

Besides giving full consideration to the requirements of equity, it is important for this Committee to give consideration also to two other aspects that are fundamental in taxation.

One of these is that government be assured of the opportunity to support its functions.

-3-

A second is that the tax structure be as conducive as possible to promotion of economic growth. Taxes can stifle growth, encourage growth, or hold a position of neutrality.

On the first point, I would like to call attention to some problems in the proposals before this Committee. I have some fear that both major

proposals present a prospect of cutting the tax base for support of local government which could be harmful.

In the proposal commonly referred to as the "assessors proposal," the proposed assessments for different classes will result in a reduced tax base. At least, this is the estimate I would make based on data from the U. S. Bureau of the Census.

Periodically, the U. S. Bureau of the Census makes an analysis of assessment levels in each state. The latest is for the year 1967. For Louisiana, it says the statewide average assessment was 17 per cent on one method of calculation and 15.3 per cent on a weighted average method.

The figures are based on a sales-ratio study. Such a study automatically eliminates consideration of utility property since this is not sold. If utility property were included, the average figures would be shown higher for 1967. Also, sales of major industrial plants are rare. If industrial assessments were included through appraisal techniques, I believe the average would have been raised. It might have been near 20 per cent.

-4-

But we have had some inflation since 1967, and it is possible this has meant a further reduction in the assessment ratio for much property. Probably, then, it might be fair to assume that an average ratio for all property in the state would be 15 per cent or a few percentage points higher.

Now note what is proposed by the assessors. They would have land assessed at 5 per cent, improvements on the land at 10 per cent, and all other at 15 per cent. Since the highest ratio would be 15 per cent, the average would have to be several percentage points less, perhaps three or four. This, then, would mean an overall reduction in the tax base to perhaps 10 to 12 per cent of fair market value.

Further, the assessors' proposal would increase homestead exemptions to \$5,000. This would remove more property from the tax base.

Since there are provisions in other proposals for limiting bond issue to some per cent of the assessed value of property, any reduction in the tax base will cripple local governments in selling bonds for local improvements.

While it is true the assessors' proposal would maintain income from property at the present dollar level, where this is possible, the reduction in the assessment ratio and the increase in exemptions would erode the tax base for capital purposes.

Moreover, there would be a transfer of much taxation to non homeowners since many homeowners now paying taxes would pay none. This would shift to commercial and industrial property, including rental properties.

-5-

In some degree the comments made concerning the assessors' proposal could apply to the proposal of Delegate Newton.

This proposal of Delegate Newton offers the possibility of an assess-

ment ratio up to 25 per cent. If the ratio were fixed at that level, the higher homestead exemptions of \$3,000 would be offset insofar as the tax base is concerned. But if the homestead exemptions are increased and the assessment ratio fixed at even an assumed present rate of 15 per cent, the tax base for bonds could be impaired. If the ratio were set any lower than the present level, the tax base would be seriously impaired.

So, I would suggest that before coming to a conclusion on how these figures are established in the constitution, the Committee seek research to determine the probable effect on support of local government. In 1972, legislation was proposed to set the ratio at 25%, unless changed by the Legislature. This was done to be sure of an adequate tax base in any parish to meet local needs. At the same time a millage roll back was proposed. You may find it desirable to set a definite percent of value in the proposed constitution so as to be able to discuss specific situations. You might wish to set two or three years to achieve the constitutional requirement.

Now on the second major point mentioned concerning concepts of taxation, that having to do with economic impact, I would call your attention to certain figures.

The report of the Louisiana Department of Employment Security for June, the latest available, says the unemployment rate in Louisiana for that month was

7.8 per cent. This compares with a national average of 4.7 per cent, which is relatively high. In brief, we are in a bad way in offering employment in Louisiana. Unemployment in the Lake Charles and Alexandria areas was reported above nine per cent.

I would call your attention to data from Business Week which publishes every month a table showing changes in personal income for each state. The latest available is for April of this year. This report says that personal income in Louisiana through April of this year was 10.2 per cent over a year ago. That sounds good, except that the national rate of growth was 11.9 per cent. We were in a tie for tenth place in the nation in rate of growth and were third from last among Southern states.

Now I would call your attention to data which I had prepared to find out something of the impact of manufacturing employment on personal income in Louisiana. The data given here is from official federal and state publications.

I would call your attention to this chart which shows that the highest per capita income is found in those five parishes with 9,000 or more manufacturing jobs. The data shows a decline as additional parishes with less manufacturing employment are included. Thus, in 19 parishes with 2,500 manufacturing jobs or more, the average per capita income in 1970 was \$3,144. In the 45 other parishes, the average was \$2,174. In the bottom 12 parishes, the average was \$1,938.

The net impression from these figures -- even granting some other factors may be present -- is that where industry goes, job opportunities increase, and personal income is higher.

So, it is important in any consideration of a tax structure that it should be one which does not deter industrial growth.

I make this point particularly in connection with the various proposals for classification. If we try to shift onto industry the burden of taxation beyond that which is now imposed on it, we may find ourselves lagging further in our rate of growth.

Though I often hear it said that we don't have to worry about our growth because we have water and mineral resources, the simple fact is that states without our advantages in these areas are outstripping us in their rate of growth. So there are other factors to be considered than natural resources, and the climate of state government as it affects industry and as it may be reflected in tax policies is a factor of importance.

Our neighbor state of Texas a few years ago had a study done to determine the tax burden on industry there as compared to competing states. Louisiana was listed as a competing state. This study showed industry in Texas bore 48 percent of the tax burden while in Louisiana it was 60 per cent. Obviously, industry looks at these figures in making plant local decisions.

I would have this further to say about classification of property for purposes of fixing different assessment ratios, be careful as to what it will do to your tax base. The experience in states which have tried this -- and Minnesota is the major state which has done so -- is that the pressures are always there to reduce the ratio on one class to get down to the level of

another. The net effect is an erosion of the tax base for support of local government. Classification sets up a sort of contest to see which group can be best favored.

If you want to move support of all government to the state level and reduce the proportion of local support, adoption of a classification system is one way to promote this.

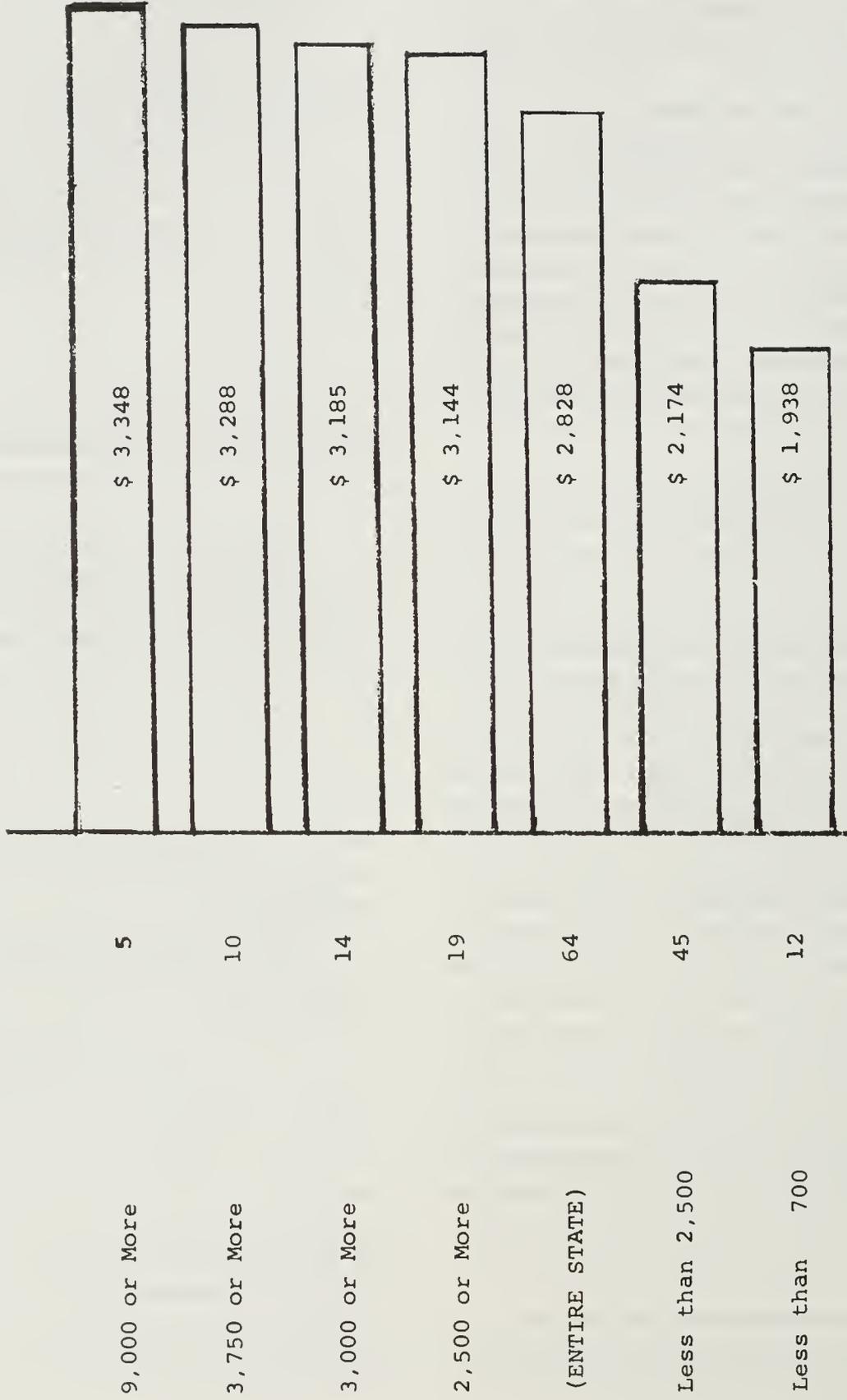
In conclusion, I would offer one comment. It is that the simplest way is the best way. Let the assessors, with the help of the Tax Commission determine the value of property. This is the essential, difficult first step in property taxation. Then let whatever assessment ratio is desired be applied to all property alike. Thus you avoid favoritism. Additionally, there will be greater stability in the tax structure when the burden is generally shared. If all have to pay a portion of the tax, and this payment is clearly discernible, then chances are tax rates will be reasonable and stable. This stability is an important factor in industry expansion considerations. A final comment is that we must maintain the tax base for local government. The property tax is a major source for local government support. It would not be good to erode this tax base.

MANUFACTURING JOBS AND PER CAPITA INCOME IN LOUISIANA

1970  
MANUFACTURING  
 EMPLOYMENT

NUMBER  
 PARISHES

1970 PER CAPITA INCOME



Sources:

U. S. Department of Commerce, Bureau of Economic Analysis.  
 1970 Census of Population, Bureau of the Census.  
 Louisiana Tax Commission.

**Table I**  
**PARISHES WITH 2,500 OR MORE MANUFACTURING**  
**EMPLOYEES IN 1970**

Parish	1970 Manufacturing Employment	1970 Industrial Exemption
1. Orleans	24,030	\$190,423,000
2. Jefferson	19,323	189,540,000
3. E. Baton Rouge	17,722	532,235,000
4. Caddo	14,916	143,061,000
5. Calcasieu	9,052	482,241,000
6. Ouachita	6,069	70,444,000
7. Webster	4,988	25,843,000
8. Rapides	4,329	83,202,000
9. St. Tammany	4,018	2,086,000
10. St. Bernard	3,777	90,192,000
11. Washington	3,495	38,446,000
12. Bossier	3,326	7,071,000
13. Lafourche	3,193	9,935,000
14. Tangipahoa	3,063	6,949,000
15. St. Charles	2,881	446,673,000
16. Terrebonne	2,698	27,225,000
17. Morehouse	2,655	71,954,000
18. St. Mary	2,647	94,271,000
19. Ascension	2,643	438,115,000
		\$ 2,949,906,000

Parishes	1970 Per Capita Income	
1-5	\$ 3,348	Total La. \$ 4,229,441,000
1-10	3,288	
1-14	3,185	Top 19 Parishes \$ 2,949,906,000
1-19	3,144	Percent of Total 69.7%
All	2,828	
20-64	2,174	
12 lowest	1,938 (under 700)	

Sources:  
 U. S. Department of Commerce, Bureau of Economic Analysis.  
 1970 Census of Population, Bureau of the Census.  
 Louisiana Tax Commission.

COMPARATIVE ANALYSES OF PER CAPITA INCOME, MANUFACTURING EMPLOYMENT,  
AND INDUSTRIAL EXEMPTIONS BY PARISH FOR 1960 AND 1970

Parish	1960 Per Capita Income <sup>1</sup>	1970 Per Capita Income <sup>1</sup>	1960 Manufacturing <sup>2</sup> Employment	1970 Manufacturing <sup>2</sup> Employment	1960 Industrial <sup>3</sup> Exemption (\$000)	1970 Industrial <sup>4</sup> Exemption (\$000)
Acadia	81,125	81,932	1,216	1,678	8 39,426	8 22,228
Allice	1,311	2,107	1,412	1,337	4,813	14,277
Ascension	1,067	2,623	1,690	2,643	81,284	438,113
Assumption	1,241	1,745	836	1,041	1,932	13,495
Avoyelles	973	1,726	749	877	693	2,386
Beourgard	1,300	1,787	1,010	1,187	1,831	7,850
Bienvenue	1,011	1,710	1,120	1,378	1,238	719
Boeuler	1,368	3,006	1,728	3,328	2,883	7,071
Cadee	1,899	3,006	9,345	14,916	80,360	143,061
Calcasieu	1,339	3,120	8,738	9,032	306,996	482,241
Caldwell	990	1,751	368	342	109	321
Cameron	1,313	2,890	138	306	9,291	33,982
Catahoula	850	1,804	238	371	0	1,647
Claiborne	1,215	2,128	937	1,193	1,892	3,340
Concordia	1,297	1,756	848	1,057	0	20
DeSoto	1,112	1,771	1,406	1,788	93	197
East Baton Rouge	1,728	3,340	15,628	17,722	353,354	332,135
East Carroll	1,450	1,995	164	171	284	1,921
East Feliciana	823	1,890	431	854	146	0
Evangeliste	878	1,768	618	931	20,964	20,312
Franklin	904	1,899	370	645	313	278
Grant	1,098	1,813	492	566	193	0
Iberia	1,402	2,400	1,824	2,242	10,602	16,916
Iberville	1,153	3,278	1,086	1,361	126,678	463,320
Jackson	1,414	2,422	2,053	2,228	20,386	17,849
Jefferson	1,773	3,314	14,587	19,323	130,253	189,340
Jefferson Davis	1,494	2,377	673	783	1,904	3,814
Lafayette	1,423	2,793	2,203	2,030	924	3,161
Lafourche	1,304	2,034	2,148	3,193	10,939	9,933
LaSalle	1,317	2,086	801	907	183	10,499
Lincole	1,336	2,459	1,040	1,248	2,305	4,869
Livingston	1,118	1,932	1,683	1,988	113	8,531
Madison	1,094	2,041	832	327	0	1,836
Morehouse	1,339	2,321	2,743	1,433	15,262	71,934
Natchitoches	1,003	1,979	926	754	230	10,367
Orleans	1,739	3,314	30,472	24,830	63,227	190,423
Ouachita	1,391	2,882	3,664	8,049	39,467	70,444
Plaquemine	1,342	1,780	1,102	827	43,201	28,256
Pointe Coupee	833	1,383	591	707	1,487	37,134
Rapides	1,438	2,342	3,491	4,329	2,148	83,202
Red River	891	2,044	232	374	0	2,091
Richland	911	2,033	393	786	764	2,913
Sabine	1,112	2,000	1,347	1,371	0	3,124
St. Bernard	1,344	3,314	2,731	3,777	223,472	90,192
St. Charles	1,788	3,259	2,046	2,881	144,733	446,673
St. Helena	759	1,825	344	336	33	18
St. James	1,233	2,723	1,311	2,197	91,188	281,378
St. John The Baptist	992	2,339	1,769	2,293	942	89,732
St. Landry	911	1,703	1,092	1,337	3,464	4,665
St. Martin	717	1,357	491	717	429	12,349
St. Mary	1,491	3,040	1,993	1,847	30,323	94,271
St. Tammany	1,221	3,314	1,934	4,018	1,353	1,086
Tangipahoa	1,141	1,964	2,989	3,043	1,291	8,949
Tensas	1,037	1,991	202	181	1,701	1,914
Terrabonne	1,647	2,693	2,128	2,898	3,864	27,223
Texas	944	1,392	1,326	1,477	237	8,390
Vermilion	1,401	2,037	643	1,001	3,427	17,517
Vernon	1,023	4,343	338	738	108	947
Washington	1,686	2,484	4,482	3,495	20,409	38,446
Webster	1,644	3,906	3,317	4,888	23,648	23,843
West Baton Rouge	1,084	2,041	723	1,070	807	20,894
West Carroll	956	1,370	213	439	0	93
West Feliciana	721	2,235	613	343	26,944	96,946
Winn	972	1,780	1,108	1,735	2,468	13,813
TOTAL			157,281	184,024	81,999,797	84,229,441

Sources: <sup>1</sup>U.S. Department of Commerce, Bureau of Economic Analysis.

<sup>2</sup>1970 Census of Population, General Social and Economic Characteristics, U.S. Department of Commerce, Bureau of the Census.

<sup>3</sup>State of Louisiana, Tenth Biennial Report of the Louisiana Tax Commission for the Year 1960-1961.

<sup>4</sup>State of Louisiana, Fifteenth Biennial Report of the Louisiana Tax Commission for the Year 1970-1971.

**Table 2**  
**Comparison of Assessment Ratios, Millages and Utility Taxes in 16 Parishes, 1958**

Parish	Assessment Ratio on Locally Assessed Real Property	Avg. Mill Rate	Assessed Value Public Utility Properties	Taxes Due on Public Utility Properties
Ouachita	18.9%	43.1	\$29,000,970	\$1,249,842
Calcasieu	14.5	62.1	26,373,140	1,837,772
Jackso	12.8	42.0	4,853,060	206,740
Allen	8.3	70.9	4,394,640	354,134
Iberia	23.1	57.3	8,133,120	466,028
Tangipahoa	10.3	73.0	8,128,510	589,985
West Feliciana	20.1	26.4	2,201,320	58,155
Livingston	13.1	72.3	2,059,270	148,608
Red River	15.5	40.5	3,395,440	137,618
Cocordia	10.9	62.7	3,456,360	216,860
Boesler	18.3	49.7	9,888,510	475,555
Lafourche	12.5	62.6	9,513,270	887,433
St. Mary	23.5	39.9	9,309,890	271,457
Terrebonne	8.7	53.3	8,848,710	478,899
St. James	18.1	38.7	2,547,700	98,556
St. Martin	10.3	62.7	2,715,490	170,181

illustrates the difference in taxes paid by utilities in parishes where the assessed value of the utility property is almost the same.

The comparison of Ouachita and Calcasieu parishes illustrates the point. Utility property in Ouachita, which is assessed by the tax commission on a scheduled ratio of 40 per cent, had a \$29 million assessment and a tax of \$1,250,000. In Calcasieu Parish, the utility property was assessed at \$26.4 million but paid a property tax of \$1.6 million. The reason is that the average millage in Ouachita was 43.1 mills, while it was 62.1 mills in Calcasieu. At the same time, the lower millage in Ouachita reflected a higher assessment level on locally assessed property than was the case in Calcasieu—18.9 per cent in the former as against 14.5 per cent in the latter.

Two other parishes illustrate what might happen if a utility company planned an expansion program. St. Mary and Terrebonne parishes are adjacent. The utility property in St. Mary in 1958 had an assessed value of \$9,309,000 and paid a total parish tax of \$371,000. In Terrebonne, the utility property had an assessed value of \$8,846,000 but paid a tax of \$476,000. St. Mary, with a ratio of 23.5 per cent on locally assessed real estate, levied an average millage of 39.9 while Terrebonne, with an 8.7 ratio on locally assessed real estate, levied an average of 53.3 mills. Any expansion of the utility would bear a smaller tax in St. Mary than in Terrebonne. (See Table 2.)

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*Henri Wolbrette*

TESTIMONY TO THE  
 REVENUE, FINANCE AND TAXATION COMMITTEE  
 OF THE 1973 CONSTITUTIONAL CONVENTION

BY

HENRI WOLBRETTE II  
 EXECUTIVE VICE PRESIDENT  
 LOUISIANA CHEMICAL ASSOCIATION

Gentlemen:

I would like to make several recommendations to you today relative to your consideration of ad valorem taxation of property.

They are:

1. No new homestead exemptions from ad valorem property taxes be granted after adoption of this constitution.
2. No new 10-year industrial property tax exemptions be granted after adoption of this constitution.
3. Existing homestead exemptions shall remain in effect until there is a change in ownership of the property.
4. Existing industrial exemptions shall remain in force for the duration of the contract in effect.
5. Locally assessed ad valorem taxation shall be applied to land and the improvements thereon exclusively after the adoption of this constitution.

6. All property subject to ad valorem taxation be listed on the assessment roles at either its fair market value -- or a percentage thereof. That both the definition of fair market value, the methods to be used in determining it, and the percentage to be used shall be fixed by the legislature.
7. That all land and improvements thereon shall be treated uniformly and there shall be no classification of locally assessed property other than land and improvements thereon.
8. That millage limitations now in the constitution be removed and they be replaced by general statute, if the legislature feels such limitations are necessary.
9. That if, after adoption of this constitution, there should be any future constitutional exemption from ad valorem property taxation, the state shall reimburse the local or parochial taxing districts the full amount due and owing them from the taxes on the property.

Those are my recommendations. These are the premises with which I began:

1. The severance tax which has been the main source of state revenues is on the decline, and despite recent rate increases, its percentage of contribution for state purposes will continue downward.
2. A new tax source must be established that will keep pace with the state's growth and demands, and which can supplement the declining severance tax revenues.
3. Despite the 1972 legislation, the state is going to have to move back into the ad valorem property tax field, and revenues from ad valorem taxes for state and local purposes is going to have to grow.
4. The courts, in both the Levy case and the Bussie case, have made clear that present assessing practices and the present administration of the ad valorem property tax system in Louisiana will have to be changed.
5. The time has come to look at established ad valorem property tax practices and law to determine their relevancy today and for tomorrow.
6. Any recommendation must be within the framework of equity for all present and future taxpayers.

HOMESTEAD EXEMPTIONS

Nearly 40 years ago, the country and this state were suffering a great depression. The ad valorem property tax imposed hardship on property owners, and unemployed working men who owned their own homes were unable to find jobs, could not raise money for property taxes, and many lost their homes at tax sales. Governor Huey Long wisely came up with the idea of a homestead exemption with the local taxing units being reimbursed from a Property Tax Relief Fund.

Today, the homestead exemption has turned from the needs of men who couldn't pay property taxes to a concept completely different from its original role. The state has a contract with those now enjoying a homestead exemption. The state is not obligated to future homeowners. I would freeze homestead exemptions to those in effect at the time of the adoption of this constitution.

- 2 -

They would continue in effect until the ownership of the property changed. There would be no new homestead exemptions granted after the adoption of the constitution. No one would expect one, no one would be depending on one, everyone would know what their tax liability would be if they bought a home because, if other recommendations are accepted, their property would be valued at its fair market value, assessed at a percentage of that value fixed by the legislature, and millage would be determined by a vote of the people -- all of whom directly or indirectly, through rent, would be paying for any additional millage, a situation not necessarily true today.

I'm certain the question will be raised that this will be treating taxpayers differently -- that it will be a denial of due process -- and a denial of equal protection of the law.

But if we turn to the legal principles quoted in the Levy case, we find a three judge federal court said that, "the presumption of reasonableness is a course with the state" -- and "unless it can be shown that the state's failure to treat all alike has no rational basis, the state's action must be sustained." I maintain that eliminating a no longer relevant system, but at the same time honoring previous commitments, is a rational basis.

INDUSTRIAL EXEMPTIONS

The 10-year ad valorem property tax exemption for new or expanding manufacturers was put into the constitution in 1946. The time was propitious. World War II had seen the real beginnings of the petrochemical industry when the nation found traditional sources of important raw materials cut off. The important thing for petrochemicals was availability of feedstocks, raw materials, fuel, water, transportation, and a number of other factors.

In Louisiana we had three major oil refineries and they were the crucible for the feedstocks. Our leaders at the time realized that if we were to compete with other states for this important new industry, we must make certain our natural advantages were not outweighed by man-made disadvantages.

Louisiana had a lousy reputation throughout the country for government stability, high taxes on business, and a downright unfriendly attitude toward business.

Louisiana also had an ad valorem tax system that could be deadly to a person who intended to invest \$20 to \$100 million in an operation. In an effort to equalize our tax burden, to take some of the power from local assessing authorities, the 10-year ad valorem property tax exemption was adopted.

It has worked well for the state. It has certainly been partly responsible for our economic development since World War II, but, like the homestead exemption, it should be measured against today's relevance.

Is it as important today as it was in 1946? Yes and No.

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It is one factor that goes into the computer to determine if Louisiana would be the most desirable location for a new manufacturer or the ideal place for an expansion of an existing facility.

If the ad valorem property tax administration continued to operate as it did prior to the two recent court decisions, if the system is changed so as to follow the assessor's plan and shift all property taxation to business, then the 10-year exemption would still be relevant and most essential.

However, if this constitution adopts an ad valorem property tax system that is equitable to all property owners in this state, then manufacturers certainly should not be given special treatment and aren't asking for it.

What I have said to this point must be clarified. My recommendations on the changes in exemption policy must be considered only as part of a larger package that includes basic changes in our ad valorem property tax laws and administration.

These basic changes include:

1. Application of ad valorem property taxes exclusively to the land and the improvements thereon.

This step would eliminate the need for dozens of present ad valorem tax exemptions such as those boats, on agricultural implements, on monies and credits, movable household furnishings, stocks and bonds which are practically incapable of assessment and taxation, and others.

This would eliminate the assessment of ad valorem property taxes on inventories upon which sales taxes are paid when sold and income tax paid by the person making a profit on their sale.

This would simplify the administration of ad valorem taxes and make for greater accountability.

2. Listing of all property subject to ad valorem property taxation on the assessment rolls at either its fair market value -- or a percentage thereof.

It is of paramount importance here that the legislature should establish, (1) a state-wide taxable rate to be applied to all property uniformly and, (2) a definition of fair market value and the methods to be used in determining it.

3. No classification of taxable property. If certain types of property are classified in the constitution, you are locked into that. If the legislature begins classification, it is endless. For example, there could be classifications for soy bean land, sugar cane land, cotton land, cottonseed land, tobacco land, brick houses, stucco houses, wooden houses, houses with two bathrooms, with one bathroom, houses with brick fences, those with picket fences, prefabricated houses, those with iron plumbing pipe, with plastic plumbing pipe, and infinitum.

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4. Removal of millage limitations from the constitution, but with no limitation on the right of the legislature to enact such limitations on a state-wide basis if it felt it was necessary.

One of the problems with millage is the fact that so many people who will not have to pay for additional tax millage vote to impose it. In some areas of this state where a great number of voters are completely covered by homestead exemption on their property, they could still vote to increase millage on non-owners. This might be one explanation of why 76 percent of all ad valorem property taxes in Louisiana are paid by business and industry.

If, on the other hand, the ad valorem property tax was uniformly applied to all land and improvements thereon, every voter would then be paying some portion of the increased millage and it would act as a safety valve against precipitous increases.

By removal of constitutional limitations, much greater flexibility in local financing would be made possible.

5. Finally, once the constitution is cleaned up of ad valorem property tax exemptions, it might be a good idea to keep it clean so that the new convention in 2023 won't have to fight this battle all over again.

One way would be to provide that if any constitutional exemptions are voted after the adoption of this new constitution, the state must reimburse the local taxing districts the full amount they

will lose at the time of the amendment's adoption because of the exemption.

I feel this would tend to make any new exemptions be provided by statute rather than by the constitution and would be able to keep the exemption subject to constant reappraisal by the legislature.

I feel the suggestions I have made today will bring much needed equity in future ad valorem property taxation, will not do violence to any existing right or benefit any citizen (private or corporate) is enjoying, and will provide a more viable tax base for the future needs of the state and its citizens.

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## ORLEANS PARISH SCHOOL BOARD

MRS. CHARLES P. BLOMBERG, PRESIDENT  
EDWARD H. KNIGHT, M. D.  
DR. GENE GESSERT, SUPERINTENDENT OF SCHOOLS  
LLOYD J. RITNER, VICE PRESIDENT  
DR. WILLIAM D. REEVEA  
DR. MACK J. SPEARS  
FRIDA D'POLITE, SECRETARY

### STATEMENT OF THE ORLEANS PARISH SCHOOL BOARD TO THE REVENUE, FINANCE AND TAXATION COMMITTEE OF THE CONSTITUTIONAL CONVENTION

AUGUST 7, 1973

I am Dr. William D. Reevea, 4154 Cleveland Avenue, New Orleans, and a member of the Orleans Parish School Board. The Board is pleased to have this opportunity to address you with reference to plans for assessment. The property tax accounts for about half of the local revenue used to support public schools in New Orleans, but the amount brought in, some \$16,000,000 in 1972-73, is directly related to the level and type of assessment.

The Orleans Parish School Board urges you to adopt an assessment plan that is fair and equal yet does not reduce, through action of this convention, the funds available to local governing bodies. Accordingly we are unanimously opposed to any plan that would reduce property taxes available to school boards and other governing bodies and to any plan that would impose an intolerable burden on any class of property.

Just as you do not want to increase taxes, so do not jeopardize your constructive work by undermining the property tax base of our important local governing bodies.

NICHOLAS BAUER BUILDING Telephone: 524-8592  
703 CARONDELET STREET • NEW ORLEANS • LOUISIANA 70138

### PROPOSED REVISION OF ARTICLE X, SECTION 1

Louisiana Constitution of 1921

#### § Taxing power; specific taxes

##### Section 1. Vesting of power, assessments and valuations.

The power of taxation shall be vested in the Legislature, shall never be surrendered, suspended or contracted away, and shall be levied and collected for public purposes only.

##### Section 2. Assessment and valuations.

All ad valorem taxes shall be uniform throughout the territorial limits of the authority levying the tax, and all such property shall be valued at current market value and assessed at 25 per cent thereof, or as determined by the Legislature

upon a vote of two-thirds of the elected membership of each house. The proportion of current market value herein fixed, or as determined by the Legislature, shall be the assessment for taxation for state and local purposes. All taxpayers shall have the right of testing the correctness of their valuations before the courts at the domicile of the assessing authority, or as may be directed by law.

**Section 3. Restrictions**

Upon adoption of this Constitution, each taxing authority shall apply millage rates to property within its jurisdiction so that the revenue from the whole of the property subject to that taxing authority shall not produce revenue in excess of the amount produced from the whole of that property in the year preceding adoption of this Constitution, except as new property may be added to the rolls and as the electors of any taxing authority may approve millage rates to produce higher revenue in an election called for that purpose according to law.

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 4, State Capitol  
Baton Rouge, Louisiana  
Wednesday, August 8, 1973, 9:00 a.m.

Presiding: Charles E. Roemer, III, Secretary of the Committee on Revenue, Finance and Taxation

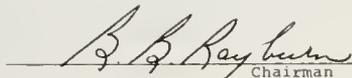
Present: John A. Alario, Jr.  
Walter J. Champagne  
Lawrence Chehardy  
David Conroy  
Sen. J.D. De Blieux  
Clyde Fontenot  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mauberret, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Earl J. Schmitt, Jr.  
Charles Slay  
F.D. Winchester

Absent: Mrs. Carolyn Badaeux  
Sen. James Brown, Jr.  
Frank M. Edwards, Jr.  
Sen. B.B. "Sixty" Rayburn  
Jasper K. Smith  
Risley C. Triche

The meeting was called to order by the acting chairman and a quorum was ascertained. The agenda for the day was to hear Mr. Ed Steimel, executive director of the Public Affairs Research Council.

Mr. Steimel handed to each committee member a copy of a commentary entitled "The Property Tax" prepared by PAR. The booklet gave the pro's and con's of the assessor's proposal and the alternative proposal, also calling attention to the major issues involved such as classification, the homestead exemption, and industrial tax exemptions. Mr. Steimel explained the views and facts stated in the commentary to the committee, and gave them a few of his thoughts on what should be in the constitution regarding property taxes.

After a lengthy discussion with Mr. Steimel, the committee recessed at 12:00 noon.

  
Chairman

August 8, 1973

Debbie Pratt

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll* Call								
ALARIO	✓								
BADEAUX									
BROWN									
CHAMPAGNE	✓								
CHEHARDY	✓								
CONROY	✓								
DEBLIEUX	✓								
EDWARDS									
FONTENOT	✓								
LOWE	✓								
McDANIEL	✓								
MAUBERRET	✓								
MIRE	✓								
NEWTON	✓								
NUNEZ	✓								
PLANCHARD	✓								
RAYBURN									
ROEMER	✓								
SCHMITT	✓								
SLAY	✓								
SMITH									
TRICHE									
WINCHESTER	✓								

\*Check mark- Present  
"X" - Absent

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 4, State Capitol  
Baton Rouge, Louisiana  
Thursday, August 16, 1973, 5:30 p.m.

Presiding: Sen. B.B. "Sixty" Rayburn, chairman

Present: John A. Alario, Jr.  
Mrs. Carolyn Badaeux  
Walter J. Champagne  
Lawrence Chehardy  
David Conroy  
Sen. J.D. De Blieux  
Clyde Fontenot  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mauberret, Jr.  
Pegram Mire  
Sen. Samuel B. Nunez, Jr.  
Charles E. Roemer, III  
Earl J. Schmitt, Jr.  
Jasper K. Smith  
F. D. Winchester

Absent: Sen. James H. Brown, Jr.  
Frank M. Edwards, Jr.  
Autley B. Newton  
A.J. Planchard  
Charles Slay  
Risley C. Triche

The meeting was called to order by the chairman and a quorum was ascertained.

Discussion was held by the committee on a time and date to vote on the two proposals on property taxation up before the committee at this time. Delegate Mire offered a motion that the committee meet Tuesday of next week to take a final vote on these proposals. Delegate Conroy offered a substitute motion that the committee meet Wednesday after adjournment of the convention. There being no objection to the substitute motion, it was so ordered.

Delegate Winchester offered a motion that copies of the

two current proposals on property taxation be mailed to those members not present at this meeting. Delegate De Blieux offered a substitute motion for copies of the two current proposals to be delivered to each committee member at the convention by Friday. There being no objection to the substitute motion, it was so ordered.

Delegate Mire offered a motion to adjourn till Wednesday. There being no objection, it was so ordered.

  
Chairman

August 16, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll Call																				
ALARIO	✓																				
BADCAUX	✓																				
BROWN																					
CHAMPAGNE	✓																				
CHEHARDY	✓																				
CONROY	✓																				
DEBLIEUX	✓																				
EDWARDS																					
FONTENOT	✓																				
LOWE	✓																				
MCDANIEL	✓																				
MAUBERRET	✓																				
MIRE	✓																				
NEWTON																					
NUNEZ	✓																				
PLANCHARD																					
RAYBURN	✓																				
ROEMER	✓																				
SCHMITT	✓																				
SLAY																					
SMITH	✓																				
TRICHE																					
WINCHESTER	✓																				

\*Check mark- Present  
"x" - Absent

MINUTES

Minutes of the meeting of the  
Committee on Revenue, Finance and  
Taxation of the Constitutional  
Convention of 1973  
Committee Room 4, State Capitol  
Baton Rouge, Louisiana  
Wednesday, August 22, 1973, 5:00 p.m.

Presiding: Sen. B.B. "Sixty" Rayburn, chairman

Present: John A. Alario, Jr.  
Mrs. Carolyn Badeaux  
Sen. James H. Brown, Jr.  
Walter J. Champagne  
Lawrence Chehardy  
David Conroy  
Sen. J.D. De Blieux  
Frank M. Edwards, Jr.  
Clyde Fontenot  
Paul H. Goldman  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mauberrret, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel B. Nunez, Jr.

A.J. Planchard  
Charles E. Roemer, III  
Earl J. Schmitt  
Charles Slay  
Jasper K. Smith  
F.D. Winchester

The meeting was called to order by the chairman and a quorum was ascertained. Chairman Rayburn introduced Paul H. Goldman, Monroe, La., who has been appointed to replace Delegate Triche, resigned.

Delegate Mire introduced at this time the tax assessors that were present in the audience.

Delegate Smith offered a motion to take up the Newton proposal first. Delegate Mire offered a substitute motion to take up the assessor's proposal as a whole and vote. Delegate Smith moved the previous question. The substitute motion carried with a vote of 12-11 by the committee.

Delegate Mire moved the previous question and was allowed to close on his motion. There being objection, a vote occurred on the previous question. The motion carried with a vote of 19-2 by the committee.

The final vote occurred on the assessor's proposal and it was adopted with a vote of 12-10 by the committee.

Delegate Nunez offered a motion for adjournment at 5:45 p.m. There being no objection, it was so ordered.

  
Chairman

August 22, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll Call																				
ALARIO	✓	yes		yes		yes															
BADCAUX	✓	no		abstained		abstained															
BROWN	✓	yes		yes		yes															
CHAMPAGNE	✓	no		yes		no															
CHEHARDY	✓	yes		yes		yes															
CONROY	✓	no		yes		no															
DE BLIEUX	✓	no		no		no															
EDWARDS	✓	yes		yes		yes															
FONTENOT	✓	no		no		no															
GOLDMAN	✓	yes		yes		yes															
LOWE	✓	no		yes		no															
MCDANIEL	✓	no		yes		no															
MAUBERRET	✓	yes		yes		yes															
MIRE	✓	yes		yes		yes															
NEWTON	✓	no		yes		no															
NUNEZ	✓	yes		yes		yes															
PLANCHARD	✓	yes		yes		yes															
RAYBURN	✓	yes																			
ROEMER	✓	no		yes		no															
SCHMITT	✓	no		yes		no															
SLAY	✓	yes		yes		yes															
SMITH	✓	no		yes		no															
WINCHESTER	✓	yes		yes		yes															

Mire's substitute motion to take up assessor's proposal first. CARRIED - 12-11  
Vote on the previous question. CARRIED - 19-2  
Vote on the assessor's proposal. CARRIED - 12-10

1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by the Committee on Revenue, Finance and Taxation

4  
5 A PROPOSAL

6 Making provisions for property taxation.

7 Be it adopted by the Constitutional Convention of Louisiana  
8 of 1973:

9  
10  
11 ARTICLE XI. REVENUE AND FINANCE

12 Section 1. Property Taxation

13 Section 1. (A) All property subject to ad valorem  
14 taxation shall be listed on the assessment rolls at its  
15 assessed valuation which shall be a percentage of its fair  
16 market value. Such percentage of fair market value shall be  
17 uniform throughout the state upon the same class of property.

18 (B) Except as hereinafter provided, the assessed  
19 valuation of all property subject to ad valorem taxation shall  
20 be fifteen percent of its fair market value as to land and  
21 residential property and twenty percent of its fair market  
22 value as to all other property. The legislature, by favorable  
23 vote of two-thirds of the elected membership of each house,  
24 may classify and reclassify property and fix and alter percentages  
25 of fair market value at which property is to be assessed,  
26 provided that such percentage of fair market value shall not  
27 exceed twenty-five percent for any property, and for land and  
28 residential property shall not exceed the lesser of (1) fifteen  
29 percent or (2) the percentage at which any other tangible property  
30 subject to ad valorem taxation is assessed.

31 (C) The legislature shall provide that agricultural,  
32 horticultural, and timber lands be assessed for the purpose  
33 of taxation at a percentage of its use value rather than its  
34 fair market value, which use value shall for all purposes be  
35 treated as the fair market value of such property.

1 (D) All property subject to taxation shall be  
2 reappraised at intervals of not more than five years.

3 Section 2. Assessment of Property

4 Section 2. Except as to such categories of property  
5 as the legislature may require that the Louisiana Tax  
6 Commission determine fair market value, fair market value  
7 and use value where appropriate shall be determined by the  
8 assessors in the respective parishes, subject to review by  
9 the governing authority of each parish, by the Louisiana  
10 Tax Commission, and the courts in accordance with procedure  
11 established by law.

12 Section 3. Exemptions

13 Section 3. The following property, and no other,  
14 shall be exempt from taxation: (A) Homesteads. From state,  
15 parish, and special taxes, the homestead, bona fide, consisting  
16 of a tract of land, or two or more tracts of land with a  
17 residence on one tract and a field, pasture, or garden on the  
18 other tract or tracts, not exceeding one hundred and sixty  
19 acres, buildings and appurtenances, whether rural or urban,  
20 owned and occupied by every head of a family, or person having  
21 a mother or father, or a person or persons dependent on him  
22 or her for support, in the full amount of three thousand  
23 dollars of the assessed valuation; provided that this exemption

24 shall not extend to any municipal or city taxes, save and  
25 except in Orleans Parish, and shall in Orleans Parish apply  
26 to the state, the general city, the school, the levee, and  
27 levee board taxes. The exemption of homesteads shall extend  
28 to the surviving spouse, or minor child or children, of a  
29 deceased owner and to the bona fide homestead when occupied  
30 as such and title thereto is in either husband or wife,  
31 provided that the exemption shall not be extended to more than  
32 one homestead owned by the husband or wife. An additional  
33 two thousand dollar homestead exemption shall be provided  
34 for veterans. An additional two thousand dollar homestead  
35 exemption for

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1 all other than veterans upon reaching age 65 shall be  
2 provided. Applications shall be made yearly and the term  
3 veteran and any other explanation of this matter shall be  
4 as defined by the legislature.

5 (B) All public property.

6 (C) Places of religious worship; property owned by  
7 religious denominations and used as residences for ministers;  
8 places of burial, and property held by any religious denom-  
9 ination or nonprofit corporation or organization for burial  
10 purposes, but the exemption shall not apply to unsold lots,  
11 crypts, or places for burial, nor shall it apply to lands held  
12 for development as places for burial, when so held for  
13 profit; places devoted to charitable undertakings, including  
14 that of such organizations as lodges and clubs organized for  
15 charitable and fraternal purposes and practicing the same;  
16 schools and colleges; nonprofit hospitals; but the exemption  
17 shall extend only to property, and grounds thereunto appurtenant,  
18 used for the above mentioned purposes, and not leased for profit  
19 or income.

20 (D) Cash on hand or deposit; obligations secured by  
21 mortgage on property located in Louisiana and the notes or  
22 other evidence thereof; loans by life insurance companies  
23 to policy holders, if secured solely by their policies; the  
24 legal reserve of domestic life insurance companies; loans by  
25 homestead or building and loan associations to their members,  
26 if secured solely by stock of said associations; debts due for  
27 merchandise or other articles of commerce or for services  
28 rendered; obligations of the state or its political subdivisions;  
29 all personal property used in the home or on loan in a  
30 public place; agricultural products while owned by the producer,  
31 agricultural machinery and other implements used exclusively  
32 for agricultural purposes, and all animals on the farm, and  
33 property belonging to agricultural fair associations; all  
34 property used for cultural or civic activities and not  
35 operated for profit to the owners; all oceangoing vessels

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1 engaged in international trade and domiciled in Louisiana  
2 ports, but this exemption shall not apply to harbor,  
3 wharf, shed, and other port dues, and no vessel operated in  
4 the coastal trade of the continental United States shall be  
5 within the exemption herein granted; boats using gasoline  
6 as motor fuel; commercial vessels used for gathering seafood;  
7 and rights-of-way granted to the State Department of Highways.

8 (E) From state, parish, and special taxes, all motor  
9 vehicles used on the public highways of this state, provided  
10 that this exemption shall not extend to any general or special  
11 tax levied by the governing authority of any municipality,  
12 or district created by any such municipality, unless the  
13 governing authority thereof shall provide for such exemption  
14 by ordinance or resolution.

15 (F) The State Board of Commerce and Industry, with  
16 the approval of the governor, and the local governing  
17 authority may enter into contracts for the exemption of any  
18 new manufacturing establishment or an addition or additions  
19 to any manufacturing establishment already existing in the  
20 state upon such terms and conditions as the board, with  
21 the approval of the governor, and the local governing authority,  
22 may deem to be to the best interest of the state. The  
23 terms "manufacturing establishment" and "addition" or "additions"  
24 as used in this Paragraph mean a new plant or establishment  
25 or an addition or additions to any existing plant or estab-  
26 lishment which engages in the business of working raw materials  
27 into wares suitable for use or which gives new shapes, new  
28 qualities, or new combinations to matter which already has  
29 gone through some artificial process. No exemption shall be  
30 contracted for any new manufacturing establishment in any  
31 locality where there is a manufacturing establishment  
32 actually engaged in the manufacture of the same or closely  
33 competitive articles without the written consent of the owner  
34 of such existing manufacturing establishment to be attached  
35 to and identified with the contract of exemption. No exemption

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1 from taxes shall be granted under the authority of this  
2 Paragraph for a longer initial period than five calendar  
3 years from the date of the execution of the contract of  
4 exemption or five calendar years from the date of the  
5 completion of the construction as described in the contract  
6 for tax exemption, the commencement of the exemption upon  
7 either of such dates to be specified in the contract at the  
8 discretion of the State Board of Commerce and Industry and  
9 subject to approval by the governor. Upon application within  
10 ninety days before the expiration of the initial period of  
11 five years, and upon proper showing of a full compliance  
12 with the contract of exemption by the contractee, any exemption  
13 granted under the authority of this subsection shall be  
14 renewed for an additional period of five calendar years.  
15 Any such exemption shall ipso facto cease upon violation  
16 of the terms and conditions of the contract which granted  
17 the same. All property exempted, in accordance with the  
18 provisions of the paragraph shall be listed on the assessment  
19 rolls and submitted to the Louisiana Tax Commission, but no  
20 taxes shall be collected thereon during the period of exemption.  
21 On January first following the expiration of any contract of  
22 exemption entered into under this Paragraph, and for each  
23 year thereafter, all property exempted by any such contract  
24 shall be listed on the assessment rolls and shall be assessed  
25 at the end of the tax exemption period at not more than the  
26 average assessment ratio on all other property assessed by the  
27 assessor in the parish in which the property is located.  
28 To determine the assessment ratio of locally assessed property,  
29 the Louisiana Tax Commission shall annually determine in each

30 parish the assessed value of all locally assessed property  
31 in relation to actual value. All taxes imposed upon such  
32 property shall be collected in the manner provided by law.

33 (G) (1) All raw materials, goods, commodities, and  
34 articles imported into this state from outside of the con-  
35 tinental United States:

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1 (a) So long as such imports remain upon the public  
2 property of the port authority or docks of any common carrier  
3 where such imports first entered this state, or

4 (b) So long as any such imports (other than minerals  
5 and ores of the same kind as any mined or produced in this  
6 state and manufactured articles) are held in this state  
7 in the original form in bales, sacks, barrels, boxes,  
8 cartons, containers, or other original packages, and raw  
9 materials held in bulk as all or a part of the new material  
10 inventory of manufacturers or processors, solely for manu-  
11 facturing or processing; or

12 (c) So long as any such imports are held by an importer  
13 in any public or private storage in the original form in  
14 bales, sacks, barrels, boxes, cartons, containers, or other  
15 original packages and agricultural products in bulk. This  
16 shall not apply to a retail merchant holding such imports  
17 as part of his stock in trade for sale at retail.

18 All such property whether entitled to exemption or not  
19 shall be reported to the proper taxing authority on the forms  
20 required by law.

21 (2) All raw materials, goods, commodities, and other  
22 articles being held upon the public property of a port authority  
23 or docks of any common carrier or in a warehouse, grain  
24 elevator, dock, wharf, or public storage facility in this state  
25 for export to a point outside the continental United States.

26 All such property entitled to exemption shall be reported  
27 to the proper taxing authority on the forms required by law.

28 (3) All goods, commodities, and personal property  
29 in public or private storage while in transit through  
30 this state which is (a) moving in interstate commerce  
31 through or over the territory of the State of Louisiana, or  
32 (b) which is in public or private storage within the State of  
33 Louisiana having been shipped thereto from outside of the  
34 State of Louisiana for storage in transit to a final destination  
35 outside of the State of Louisiana, whether such destination

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1 was specified when transportation begins or afterward. All  
2 such property whether entitled to exemption or not shall be  
3 reported to the proper taxing authority on the forms required  
4 by law.

#### Section 4. Adjustment of Ad Valorem Tax Millages

5 Section 4. The amount of taxes collected from a  
6 particular millage levied by any taxing authority shall not  
7 be increased or decreased because of the method of assessing  
8 property at a uniform ratio of assessment to value as provided  
9 in Article XI, Section 1, or because of any subsequent change  
10 in percentage of fair market value established by the leg-  
11 islature for assessment and it shall be the mandatory duty  
12 of all public bodies that levy millage to adjust the millage  
13 proportionate to the adjustments in assessment values so as to  
14

15 produce the same total dollar amount of revenue. Nothing  
 16 provided herein shall be construed to prohibit the respective  
 17 municipalities, parishes, or other taxing districts or authorities  
 18 from collecting a larger dollar amount of ad valorem taxes  
 19 by means of levying additional millages in the manner provided  
 20 by law, by additional property being placed on their  
 21 respective tax rolls, or by reason of increased property values  
 22 due to economic conditions, and provided further that this  
 23 provision shall not be construed so as to diminish the security  
 24 of outstanding bonds.

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MINUTES

Minutes of the meeting of the  
 Committee on Revenue, Finance and  
 Taxation of the Constitutional  
 Convention of 1973

Committee Room 4, State Capitol  
 Baton Rouge, Louisiana  
 Wednesday, August 29, 1973, 5:30 p.m.

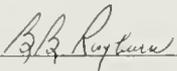
Presiding: Sen. B.B. "Sixty" Rayburn, chairman

Present: John A. Alario, Jr. Absent: Sen. James Brown, Jr.  
 Mrs. Carolyn Badeaux J.A. McDaniel  
 Walter J. Champagne Autley B. Newton  
 Lawrence Chehardy Charles E. Roemer, III  
 David Conroy Earl J. Schmitt  
 Sen. J.D. De Blieux Frank M. Edwards, Jr.  
 Clyde Fontenot Paul H. Goldman  
 Herman "Monday" Lowe Dr. Claude Mauberrret, Jr.  
 Pegrarn Mire Sen. Samuel Nunez, Jr.  
 A.J. Planchard Charles Slay  
 F.D. Winchester

The meeting was called to order by the chairman and a  
 quorum was ascertained. The purpose of the meeting was to  
 allow the committee members to introduce any new delegate  
 proposals or committee proposals before the deadline of Sept. 5.  
 There were several suggestions offered by the delegates as to  
 needed changes in the committee's proposal no. 15.

Delegate Conroy offered a motion for the committee  
 to review the finance section of the Committee on Local and  
 Parochial Government's proposal since it was similar to  
 this committee's proposal. There being no objection, it was  
 so ordered.

Delegate Edwards offered a motion for adjournment.  
 There being no objection, the committee adjourned at 7:00 p.m.

  
 Chairman

8-29-73

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll*								
	Call								
ALARIO	<input checked="" type="checkbox"/>								
BADEAUX	<input checked="" type="checkbox"/>								
BROWN									
CHAMPAGNE	<input checked="" type="checkbox"/>								

CHEHARDY	<input checked="" type="checkbox"/>								
CONROY	<input checked="" type="checkbox"/>								
DEBLIEUX	<input checked="" type="checkbox"/>								
EDWARDS	<input checked="" type="checkbox"/>								
FONTENOT	<input checked="" type="checkbox"/>								
<del>Goldman</del> LOWE	<input checked="" type="checkbox"/>								
McDANIEL									
MAUBERPET	<input checked="" type="checkbox"/>								
MIRE	<input checked="" type="checkbox"/>								
NEWTON									
NUNEZ	<input checked="" type="checkbox"/>								
PLANCHARD	<input checked="" type="checkbox"/>								
RAYBURN	<input checked="" type="checkbox"/>								
ROEMER									
SCHMITT									
SLAY	<input checked="" type="checkbox"/>								
SMITH									
<del>TRIGONE</del>									
WINCHESTER	<input checked="" type="checkbox"/>								

\*Check mark- Present  
 "X" - Absent

MINUTES

Minutes of the meeting of the Committee  
 on Revenue, Finance and Taxation of  
 the Constitutional Convention of 1973

Committee Room 4, State Capitol  
 Baton Rouge, Louisiana  
 Thursday, September 13, 1973

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John Alario, Jr. Absent: Sen. James Brown  
 Mrs. Carolyn Badeaux Lawrence Chehardy  
 Walter J. Champagne Frank Edwards  
 David Conroy Charles E. Roemer, III  
 Sen. J.D. De Blieux  
 Clyde Fontenot  
 Paul H. Goldman  
 Herman "Monday" Lowe  
 J.A. McDaniel  
 Dr. Claude Mauberrret, Jr.  
 Pegrarn Mire  
 Autley B. Newton  
 Sen. Samuel B. Nunez, Jr.  
 A.J. Planchard  
 Earl J. Schmitt  
 Charles Slay  
 Jasper K. Smith  
 F.D. Winchester

The meeting was called to order by the chairman and a  
 quorum was ascertained.

Delegate Mire offered a motion to dispense with the  
 reading of the minutes of the meetings of June 21-29, July 11-12,  
 July 18, July 26-27, August 2, August 7-8, August 16, August 22,  
 and August 29, 1973. There being no objection, the minutes  
 were adopted.

Delegate Goldman offered a motion that the Subcommittee  
 on Finance of the Committee on Local and Parochial Government  
 be invited to come before the committee to discuss any  
 conflicts present in the two proposals, CP 17 and CP 15.  
 There being no objection, it was so ordered.

Delegate Champagne offered a motion to adopt the  
 list of exemptions previously voted on by the committee,  
 as set out in Committee Amendment No. 1 (copy attached  
 hereto and made a part of these minutes) and insert them  
 in CP No. 26.

Delegate Newton offered a substitute motion that the

exemptions listed in Committee Amendment No. 1 be transferred to a schedule subject to change by a two-thirds vote of the legislature.

After much discussion with no action being taken, Delegate Nunez offered a motion to adjourn. There being no objection, it was so ordered.

*B. B. Rayburn*  
CHAIRMAN

VICE CHAIRMAN

4-13-73

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll Call				
ALARIO	✓				
BADEAUX	✓				
BROWN					
CHAMPAGNE	✓				
CHEHARDY					
CONROY	✓				
DE BLEUX	✓				
EDWARDS					
FONTENOT	✓				
GOLDMAN	✓				
LOWE	✓				
McDANIEL	✓				
MAUBERRET	✓				
MIRE	✓				
NEWTON	✓				
NUNEZ	✓				
PJANCHARD	✓				
RAYBURN	✓				
ROEMER					
SCHMITT	✓				
SLAY	✓				
SMITH	✓				
WINCHESTER	✓				

COMMITTEE AMENDMENT

CC 2523

Amendment 5 proposed by Committee on Revenue, Finance and Taxation

to Committee Proposal No. 26  
(Draft or Committee) (Proposal or Resolution)

by Delegate Rayburn, et al.

Amend Printed Proposal as follows:  
(Original, printed, engraved) (Proposal or Resolution)

AMENDMENT NO. 1

On page 2, between lines 25 and 26, add the following:

"(B) All public property.

(C) Places of religious worship; property owned by religious denominations and used as residences for ministers; places of burial, and property held by any religious denomination or nonprofit corporation or organization for burial purposes, but the exemption shall not apply to unsold lots, crypts, or places for burial, nor shall it apply to lands held for development as places for burial, when so held for profit; places devoted to charitable undertakings, including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practi-

cing the same; schools and colleges; nonprofit hospitals; but the exemption shall extend only to property, and grounds thereunto appurtenant, used for the above mentioned purposes, and not leased for profit or income.

(D) Cash on hand or deposit; obligations secured by mortgage on property located in Louisiana and the notes or other evidence thereof; loans by life insurance companies to policyholders, if secured solely by their policies; the legal reserve of domestic life insurance companies; loans by homestead or building and loan associations to their members, if secured solely by stock of said associations; debts due for merchandise or other articles of commerce or for services rendered; obligations of the state or its political subdivisions; all personal property used in the home or on loan in a public place; agricultural products while owned by the producer, agricultural machinery and other implements used exclusively for agricultural purposes, and all animals on the farm, and property belonging to agricultural fair associations; all property used for cultural or civic activities and not operated for profit to the owners; all oceangoing vessels engaged in international trade and domiciled in Louisiana ports, but this exemption shall not apply to harbor, wharf, shed, and other port dues, and no vessel operated in the coastal trade of the continental United States shall be within the exemption herein granted; boats using gasoline as motor fuel; commercial vessels used for gathering seafood; and rights-of-way granted to the State Department of Highways.

(E) From state, parish, and special taxes, all motor vehicles used on the public highways of this state, provided that this exemption shall not extend to any general or special tax levied by the governing authority of any municipality, or district created by any such municipality, unless the governing authority thereof shall provide for each exemption by ordinance or resolution.

(F) The State Board of Commerce and Industry, with the approval of the governor, and the local governing authority may enter into contracts for the exemption of any new manufacturing establishment or an addition or addition to any manufacturing establishment already existing in the state upon such terms and conditions as the board, with the approval of the governor, and the local governing authority, may deem to be to the best interest of the state. The terms "manufacturing establishment" and "addition" or "additions" as used in this Paragraph mean a new plant or establishment or an addition or additions to any existing plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, new qualities, or new combinations to matter which already has gone through some artificial process. No exemption shall be contracted for any new manufacturing establishment in any locality where there is a manufacturing establishment actually engaged in the manufacture of the same or closely competitive articles without the written consent of the owner of such existing manufacturing establishment to be attached to and identified with the contract of exemption. No exemption from taxes shall be granted under the authority of this Paragraph for a longer initial period than five calendar years from the date of the execution of the contract of exemption or five calendar years from the date of the completion of the construction as described in the contract for tax exemption, the commencement of the exemption upon either of such dates to be specified in the contract at the discretion of the State Board of Commerce and Industry and subject to approval by the governor. Upon application within ninety days before the expiration of the initial period of five years, and upon proper showing of a full compliance with the contract of exemption by the contractee, any exemption granted under the authority of this subsection shall be renewed for an additional period of five calendar years. Any such exemption shall ipso facto cease upon violation of the terms and conditions of the contract which granted the same. All property exempted, in accordance with the provisions of the paragraph shall be listed on the assessment rolls and submitted to the Louisiana Tax Commission, but no taxes shall be collected thereon during the period of exemption. On January first following the expiration of any contract of exemption entered into under this Paragraph, and for each year thereafter, all property exempted by any such contract shall be listed on the assessment rolls and shall be assessed at the end of the tax exemption period at not more than the average assessment ratio on all other property assessed by the assessor in the parish in which the property is located. To determine the assessment ratio of locally assessed property, the Louisiana Tax Commission shall annually determine in each parish the assessed value of all locally assessed property in relation to actual value. All taxes imposed upon such property shall be collected in the manner provided by law.

(G) (1) All raw materials, goods, commodities, and articles imported into this state from outside of the continental United States:

(a) So long as such imports remain upon the public property of the port authority or docks of any common carrier where such imports first entered this state;

(b) So long as any such imports (other than minerals and ores of the same kind as any mined or produced in this state and manufactured articles) are held in this state in the original form in bales, sacks, barrels, boxes, cartons, containers, or other original packages, and raw materials held in bulk as all or a part of the new material inventory of manufacturers or processors, solely for manufacturing or processing; or

(c) So long as any such imports are held by an importer in any public or private storage in the original form in bales, sacks, barrels, boxes, cartons, containers, or other original packages and agricultural products in bulk. This shall not apply to a retail merchant holding

such imports as part of his stock-in-trade for sale at retail.

All such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law.

(2) All raw materials, goods, commodities, and other articles being held upon the public property of a port authority or docks of any common carrier or in a warehouse, grain elevator, dock, wharf, or public storage facility in this state for export to a point outside the continental United States.

All such property entitled to exemption shall be reported to the proper taxing authority on the forms required by law.

(3) All goods, commodities, and personal property in public or private storage while in transit through this state which is (a) moving in interstate commerce through or over the territory of the State of Louisiana; or (b) which is in public or private storage within the State of Louisiana having been shipped thereto from outside of the State of Louisiana for storage in transit to a final destination outside of the State of Louisiana, whether such destination was specified when transportation begins or afterward. All such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law.

#### AMENDMENT NO. 2

On page 2, at the beginning of line 26, delete "(B)" and insert in lieu thereof "(H)"

#### MINUTES

Minutes of the meeting of the Committee  
on Revenue, Finance and Taxation of  
the Constitutional Convention of 1973

Committee Room 4, State Capitol

Baton Rouge, Louisiana

Friday, September 14, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: Mrs. Carolyn Badeaux  
Sen. James Brown  
Walter J. Champagne  
David Conroy  
Sen. J.D. De Blieux  
Clyde Fontenot  
Paul H. Goldman  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mauberret, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel B. Nunez, Jr.  
A.J. Planchard  
Charles E. Roemer, III  
Earl J. Schmitt  
Charles Slay  
Jasper K. Smith

Absent: John Alario, Jr.  
Lawrence Chehardy  
Frank Edwards  
F.D. Winchester

The meeting was called to order by the chairman and a quorum was ascertained.

The Subcommittee on Finance of the Committee on Local and Parochial Government met with this committee to discuss the conflicts that are present in the two proposals - CP 17 and CP 15.

Sections 8 and 9 - powers given under the home rule charter and nonhome rule charter. Some concern was expressed over the change in the theory of the present constitution regarding powers of local political subdivisions. Under CP 17, Section 8 and 9 and related sections, local governmental entities are all powerful except where their authority is restricted by other provisions of CP 17. Under present Louisiana law, local governmental subdivisions have only what authority has been conferred on them by the legislature or in the case of home rule charter what authority is conferred by said charter.

Most discussion concerning part 2, the finance section, of CP 17 occurred on the millage limitations contained in

Section 31 of CP 17. It was explained that under this section millage rates could be increased without limitation except for the requirement of approval by a majority of the electors who voted in an election held for that purpose. Some members expressed concern whether this "open end" increase in millage provisions would be desirable.

The committee discussed Section 33 of CP 17 regarding the imposition of occupational license taxes by local political subdivisions. It was pointed out that Section 33 of CP 17 conflicts with CP 17 provision prohibiting the levy of an occupational license tax by a local political subdivision where such would exceed the rate of the state occupational license tax. The Committee on Local and Parochial Government stated that they would take this back to their committee for discussion.

The committee discussed Section 34 of CP 17 regarding sales tax by local political subdivisions, although, no conflict exists between CP 17 and CP 15 and 26.

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The committee also considered Section 37 of CP 17. Heated discussion occurred concerning this section which prohibits the state from levying an ad valorem tax. Under CP 26 the state is not prohibited from levying an ad valorem tax if the legislature should so decide. Delegate Chalin Perez explained to this committee that the Committee on Local and Parochial Government felt that local political subdivisions must be assured of adequate future income. Delegate Perez pointed out that since local political subdivisions would not be able to levy severance taxes, income taxes, and other taxes which only the state may levy, that local political subdivisions need to be assured of some source of income. Delegate Perez indicated that this was a matter which would have to be decided on the convention floor.

Section 50 of CP 17 was discussed by the committee since the section does contradict with CP 15 in so far as CP 15 requires that the moneys of all state boards, agencies, and commissions be deposited directly into the state treasury. Some members expressed concern that this conflict should be alleviated.

Several other sections of CP 17 were briefly discussed by the committee; however, no conflicts exist between these other sections of CP 15, 26 and CP 17.

Delegate Nunez offered a motion to recess subject to call. There being no objection, the meeting recessed at 11:50 a.m.

  
CHAIRMAN

1-14 73

COMMITTEE ON REVENUE, FINANCE AND TAXATION

	Roll Call																			
ALARIO																				
BADÉAUX	✓																			
BROWN	✓																			
CHAMPAGNE	✓																			
CHEHARDY																				
CONROY	✓																			
DE BLIEUX	✓																			
EDWARDS																				
FONTENOT	✓																			
GOLDMAN	✓																			
LOWE	✓																			
MCDANIEL	✓																			
MAUBERRET	✓																			
MIRE	✓																			
NEWTON	✓																			
NUNEZ	✓																			
PLANCHARD	✓																			
RAYBURN	✓																			
ROEMER	✓																			
SCHMITT	✓																			
SLAY	✓																			
SMITH	✓																			
WINCHESTER																				

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 5, State Capitol  
Baton Rouge, Louisiana  
Thursday, September 20, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: Mrs. Carolyn Badaeux  
Sen. James Brown  
Walter J. Champagne  
Lawrence Chehardy  
David Conroy  
Sen. J.D. De Blieux  
Frank Edwards  
Paul H. Goldman  
Herman "Monday" Lowe  
J.A. McDaniel  
Dr. Claude Mauberret, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel B. Nunez, Jr.  
Earl J. Schmitt  
Charles Slay  
Jasper K. Smith  
F.D. Winchester

Absent: John A. Alario, Jr.  
Clyde Fontenot  
A.J. Planchard  
Charles E. Roemer, III

The meeting was called to order by the chairman and a quorum was ascertained.

The Committee on Local and Parochial Government met with this committee to discuss again the conflicts that are present between CP 17 and CP 15. Discussion followed along the same lines as the meeting of September 14, 1973. (Refer to September 14, 1973 minutes for further information)

At one point Delegate Schmitt offered a motion that the committee take up Section 16 of CP 17 for discussion. Delegate Conroy offered a substitute motion that the Committee on Local and Parochial Government along with this committee discuss a list of four amendments that he had prepared that would possibly resolve a few of the conflicts that exist between the two proposals. The substitute motion carried unanimously. The two committees then proceeded to discuss each of the amendments proposed by Delegate Conroy to CP 17. Although no action was taken at this meeting, the Committee on Local and Parochial Government did agree to bring these amendments to the attention of the whole committee at their next meeting.

The meeting recessed at 11:55 a.m.

*B. B. Rayburn*  
CHAIRMAN

COMMITTEE ON REVENUE, FINANCE AND TAXATION

September 20, 1973

ALARIO																				
BADÉAUX	✓		yes																	
BROWN	✓		yes																	
CHAMPAGNE	✓		yes																	
CHEHARDY	✓		yes																	
CONROY	✓		yes																	
DE BLIEUX	✓		yes																	
EDWARDS	✓		yes																	
FONTENOT																				
GOLDMAN	✓		yes																	
LOWE	✓		yes																	
MCDANIEL	✓		yes																	
MAUBERRET	✓		yes																	
MIRE	✓		yes																	
NEWTON	✓		yes																	
NUNEZ	✓		yes																	
PLANCHARD																				
RAYBURN	✓																			
ROEMER																				
SCHMITT	✓		yes																	
SLAY	✓		yes																	
SMITH	✓		yes																	
WINCHESTER	✓		yes																	

ROLL CALL

Conroy's sub. mot. regarding amendments CARRIED

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 4, State Capitol  
Baton Rouge, Louisiana  
Friday, September 21, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John A. Alario, Jr.  
 Mrs. Carolyn Badeaux  
 Sen. James Brown  
 Walter J. Champagne  
 Lawrence Chehardy  
 David Conroy  
 Sen. J.D. De Blieux  
 Frank Edwards  
 Clyde Fontenot  
 Paul H. Goldman  
 Herman "Monday" Lowe  
 J.A. McDaniel  
 Dr. Claude Maubertret, Jr.  
 Pegram Mire  
 Autley B. Newton  
 Sen. Samuel B. Nunez, Jr.  
 A.J. Planchard  
 Earl J. Schmitt  
 Charles Slay  
 F.D. Winchester

Absent: Charles E. Roemer, III  
 Jasper K. Smith

Delegate Nunez offered another motion to adjourn. The motion failed to carry with a vote of 7-11 by the committee.

Delegate Newton moved the previous question again on the original motion to adopt an amendment to include stocks and bonds in the list of exemptions. The motion for the previous question failed to carry with a vote of 8-9 by the committee.

Delegate Lowe offered a motion to adjourn. There being no objection, it was so ordered.

*B.B. Rayburn*  
 CHAIRMAN

VICE CHAIRMAN

The meeting was called to order by the chairman and a quorum was ascertained.

Chairman Rayburn asked the committee if there might be any further questions on the Local and Parochial Government proposal. There being none, the chairman informed the committee that action needed to be taken on the list of exemptions previously discussed by the committee and set out in Committee Amendment No. 1 (copy attached hereto and made a part of these minutes). Delegate Conroy offered a motion to adopt a substitute amendment to insert on page 2, of CP 26, line 28, after the word "legislature" the following: "All exemptions from ad valorem taxation presently provided in the Constitution of 1921, as amended, other than the homestead and veterans exemptions provided therein, shall remain in effect subject to amendment or repeal by the vote of two-thirds of the elected membership of each house of the legislature." The substitute motion failed with a vote of 13-5 by the committee. There being no objection to the original motion, the list of exemptions as set out in Committee Amendment No. 1 were adopted.

Delegate Goldman offered a motion to adopt an amendment to add "stocks and bonds" to the list of exemptions. After a lengthy discussion on the amendment by the committee, Delegate Winchester offered a substitute motion to defer action on this amendment and requested that public hearings be held concerning the issue of exempting stocks and bonds. After brief discussion, Delegate Alario moved to adjourned. The motion failed to carry with a vote of 7-11 by the committee.

Delegate Fontenot then moved the previous question on Delegate Goldman's motion to adopt an amendment to include stocks and bonds in the list of exemptions. The motion on the previous question failed to carry with a vote of 9-10 by the committee.

A vote then occurred on Delegate Winchester's substitute motion to defer action and the substitute motion failed to carry with a vote of 8-10 by the committee.

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Delegate Fontenot again moved the previous question on Delegate Goldman's amendment. The motion for the previous question failed to carry with a vote of 9-10 by the committee.

September 21, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

ALARIO	✓	no	yes	no	yes
BADEAUX	✓	no	no	yes	no
BROWN	✓		yes	no	yes
CHAMPAGNE	✓	no	no	yes	no
CHEHARDY	✓	no	yes	no	yes
CONROY	✓	yes	no	yes	no
DE BLIEUX	✓	yes	no	no	no
EDWARDS	✓				
FONTENOT	✓	no	no	yes	no
GOLDMAN	✓	no	no	yes	no
LOWE	✓	yes	no	yes	no
MCDANIEL	✓	no	no	yes	no
MAUBERRET	✓	no	yes	no	yes
MIRE	✓	yes			
NEWTON	✓	yes	no	yes	no
NUNEZ	✓	no	yes	no	yes
PLANCHARD	✓	no	no	yes	yes
RAYBURN	✓			no	
ROEMER					
SCHMITT	✓	no	yes	no	no
SLAY	✓	no	no	no	yes
SMITH					
WINCHESTER	✓	no	yes	no	yes

ROLL CALL  
 Conroy substitute proposal on exemptions FAILED 13-5  
 Alario motion to adjourn FAILED 7-11  
 Fontenot moved prev. question on Goldman amend. on stocks & bonds FAILED 9-10  
 Winchester sub. mot. to defer action on amendment on stocks & bonds FAILED 8-10

Page 2

September 21, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

ALARIO		no	yes	no	
BADEAUX		yes	no	yes	
BROWN		no	yes		
CHAMPAGNE		yes	no	yes	
CHEHARDY		no	yes	no	
CONROY		yes	no	yes	
DE BLIEUX		no	no		
EDWARDS					
FONTENOT		yes	no	yes	
GOLDMAN		yes	no	yes	

LOWE	yes	no	yes		
MCDANIEL	yes	no	yes		
MAUBERRET	no	yes	no		
MIRE					
NEWTON	yes	no	yes		
NUNEZ	no	yes	no		
PLANCHARD	no	no	no		
RAYBURN	no		no		
ROEMER					
SCHMITT	no	no	no		
SLAY	yes	yes	no		
SMITH					
WINCHESTER	no	yes	no		

ROLL CALL prev. question on Goldman amendment FAILED 9-10 Nunez mot. on Goldman amendment FAILED 7-11 prev. question on Goldman amendment FAILED 8-9

*adopted* *Comm. Sept. 21, 1973*

COMMITTEE AMENDMENT

CC 7323

Amendment 5 proposed by Committee on Revenue, Finance, and Taxation to Committee Proposal No. 26 by Delegate Rayburn, et al. Amend printed Proposal as follows:

AMENDMENT NO. 1

On page 2, between lines 25 and 26, add the following:

- "(B) All public property.
- (C) Places of religious worship; property owned by religious denominations and used as residences for ministers; places of burial, and property held by any religious denomination or nonprofit corporation or organization for burial purposes, but the exemption shall not apply to unsold lots, crypts, or places for burial, nor shall it apply to lands held for development as places for burial, when so held for profit; places devoted to charitable undertakings, including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same; schools and colleges; nonprofit hospitals; but the exemption shall extend only to property, and grounds thereunto appurtenant, used for the above mentioned purposes, and not leased for profit or income.
- (D) Cash on hand or deposit; obligations secured by mortgage on property located in Louisiana and the notes or other evidence thereof; loans by life insurance companies to policyholders, if secured solely by their policies; the legal reserve of domestic life insurance companies; loans by homestead or building and loan associations to their members, if secured solely by stock of said associations; debts due for merchandise or other articles of commerce or for services rendered; obligations of the state or its political subdivisions; all personal property used in the home or on loan in a public place; agricultural products while owned by the producer, agricultural machinery and other implements used exclusively for agricultural purposes, and all animals on the farm, and property belonging to agricultural fair associations; all property used for cultural or civic activities and not operated for profit to the owners; all oceangoing vessels engaged in international trade and domiciled in Louisiana ports, but this exemption shall not apply to harbor, wharf, shed, and other port dues, and no vessel operated in the coastal trade of the continental United States shall be within the exemption herein granted; boats using gasoline as motor fuel; commercial vessels used for gathering seafood; and rights-of-way granted to the State Department of Highways.
- (E) From state, parish, and special taxes, all motor vehicles used on the public highways of this state, provided that this exemption shall not extend to any general or special tax levied by the governing authority of any municipality, or district created by any such municipality, unless the governing authority thereof shall provide for such exemption by ordinance or resolution.
- (F) The State Board of Commerce and Industry, with the approval of the governor, and the local governing authority may enter into contracts for the exemption of any new manufacturing establishment or an addition or additions to any manufacturing establishment already

existing in the state upon such terms and conditions as the board, with the approval of the governor, and the local governing authority, may deem to be to the best interest of the state. The terms "manufacturing establishment" and "addition" or "additions" as used in this Paragraph mean a new plant or establishment or an addition or additions to any existing plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, new qualities, or new combinations to matter which already has gone through some artificial process. No exemption shall be contracted for any new manufacturing establishment in any locality where there is a manufacturing establishment actually engaged in the manufacture of the same or closely competitive articles without the written consent of the owner of such existing manufacturing establishment to be attached to and identified with the contract of exemption. No exemption from taxes shall be granted under the authority of this Paragraph for a longer initial period than five calendar years from the date of the execution of the contract of exemption or five calendar years from the date of the completion of the construction as described in the contract for tax exemption, the commencement of the exemption upon either of such dates to be specified in the contract at the discretion of the State Board of Commerce and Industry and subject to approval by the governor. Upon application within ninety days before the expiration of the initial period of five years, and upon proper showing of a full compliance with the contract of exemption by the contractee, any exemption granted under the authority of this subsection shall be renewed for an additional period of five calendar years. Any such exemption shall ipso facto cease upon violation of the terms and conditions of the contract which granted the same. All property exempted, in accordance with the provisions of the paragraph shall be listed on the assessment rolls and submitted to the Louisiana Tax Commission, but no taxes shall be collected thereon during the period of exemption. On January first following the expiration of any contract of exemption entered into under this Paragraph, and for each year thereafter, all property exempted by any such contract shall be listed on the assessment rolls and shall be assessed at the end of the tax exemption period at not more than the average assessment ratio on all other property assessed by the assessor in the parish in which the property is located. To determine the assessment ratio of locally assessed property, the Louisiana Tax Commission shall annually determine in each parish the assessed value of all locally assessed property in relation to actual value. All taxes imposed upon such property shall be collected in the manner provided by law.

- (G) (1) All raw materials, goods, commodities, and articles imported into this state from outside of the continental United States:
  - (a) So long as such imports remain upon the public property of the port authority or docks of any common carrier where such imports first entered this state; or
  - (b) So long as any such imports (other than minerals and ores of the same kind as any mined or produced in this state and manufactured articles) are held in this state in the original form in bales, sacks, barrels, boxes, cartons, containers, or other original packages, and raw materials held in bulk as all or a part of the new material inventory of manufacturer or processors, solely for manufacturing or processing; or
  - (c) So long as any such imports are held by an importer in any public or private storage in the original form in bales, sacks, barrels, boxes, cartons, containers, or other original packages and agricultural products in bulk. This shall not apply to a retail merchant holding such imports as part of his stock-in-trade for sale at retail.
- All such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law.
- (2) All raw materials, goods, commodities, and other articles being held upon the public property of a port authority or docks of any common carrier or in a warehouse, grain elevator, dock, wharf, or public storage facility in this state for export to a point outside the continental United States.
- All such property entitled to exemption shall be reported to the proper taxing authority on the forms required by law.
- (3) All goods, commodities, and personal property in public or private storage while in transit through this state which is (a) moving in interstate commerce through or over the territory of the State of Louisiana; or (b) which is in public or private storage within the State of Louisiana having been shipped thereto from outside of the State of Louisiana for storage in transit to a final destination outside of the State of Louisiana, whether such destination was specified when transportation begins or afterward. All such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law.

AMENDMENT NO. 2

On page 2, at the beginning of line 26, delete "(B)" and insert in lieu thereof "(H)"

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the

Constitutional Convention of 1973

Committee Room 4, State Capitol

Baton Rouge, Louisiana

Thursday, September 27, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John A. Alario, Jr.      Absent: Sen. James Brown  
Mrs. Carolyn Badeaux      Clyde Fontenot  
Walter J. Champagne      J.A. McDaniel  
Lawrence Chehardy      Dr. Claude Mauberrret, Jr.  
David Conroy      Autley B. Newton  
Sen. J.D. De Blieux  
Frank Edwards  
Paul H. Goldman  
Herman "Monday" Lowe  
Pegram Mire  
Sen. Samuel B. Nunez, Jr.  
A.J. Planchard  
Charles E. Roemer, III  
Earl J. Schmitt  
Charles Slay  
Jasper K. Smith  
F.D. Winchester

The meeting was called to order by the chairman and a quorum was ascertained.

A letter was read to the committee from Gordon Johnson, of the Tax Commission, stated that to tax stocks and bonds would be very difficult and not feasible.

Another letter was read to the committee from Chalin Perez, Chairman of the Committee on Local and Parochial Government which stated the actions taken by said committee on the suggested amendments proposed by Delegate Conroy that would attempt to remove any conflicts found in the joint committee meeting held September 20, 1973.

The issue of exempting stocks and bonds was again debated. It was suggested by the chairman that since there were several amendments to be acted upon concerning the two committee proposals, it would be advantageous to recess for fifteen minutes in an attempt to reach a compromise for the purpose of reducing the number of amendments to be acted upon.

Delegate Conroy offered a motion for the adoption of an amendment to add on page 2, between lines 25 and 26, on line 1 of paragraph (D) of Committee Amendment No. 1 adopted on September 21, 1973 by the committee and immediately after the words and punctuation "Cash on hand or deposit;" add the following: "stocks and bonds, except bank stocks, which shall be assessed and taxed solely as provided by law, and the tax paid by the banking institution;". Delegate Mire moved the previous question on the motion. There being no objection it was so ordered. The amendment was adopted with a vote of 11-1 by the committee.

Delegate Mire offered a motion to adopt an amendment that would add on page 2 of CP 26, between lines 1 and 2, the following section:

"Section \_\_\_\_ . Rate of State Property Taxation; Limitation  
Section \_\_\_\_ . The rate of state taxation on property for all purposes shall not exceed, in any one year, five and three-quarter mills on the dollar of its assessed value."

The amendment was adopted with a vote of 10-2 by the committee.

Delegate Planchard offered a motion for the adoption of

an amendment to include nonprofit hospitals, nursing homes, etc. After discussion by the committee as to the effect of the wording, Delegate Planchard agreed to withdraw the amendment and resubmit it at a later date.

Delegate Conroy offered a motion to adopt an amendment that would insert in Committee Amendment No. 1 adopted by the committee on September 21, 1973, on page 1, paragraph (D), line 16, after the word "cultural" and before the word "or", a comma "," and the words "mardi-gras carnival". The amendment was adopted with a vote of 12-1 by the committee.

Delegate Conroy offered a motion to adopt an amendment to add on page 2 of CP 26, at the end of line 4, the words "ad valorem". There being no objection, the amendment was adopted.

Delegate Conroy offered another amendment to add in Committee Amendment No. 1 adopted by the committee on September 21, 1973, on page 1, paragraph (D), line 24, after the word "seafood" and before the semicolon ";" insert the words "other than menhaden". There being no objection, the amendment was adopted.

Delegate Conroy offered an amendment to delete in Committee Amendment No. 1 adopted by the committee on September 21, 1973, on page 2, paragraph (F), at the end of line 42, the word "On" and delete all of lines 43 through 56. There being no objection, the amendment was adopted.

Delegate Conroy offered an amendment to delete in Committee Amendment No. 1 adopted by the committee on September 21, 1973, on page 3, paragraph (G) lines 5 through 7, and lines 14 through 16, begin a new paragraph with the

-3-

word "All" in line 26 and insert after the word "property" and before the word "whether" the words "described in this paragraph (G)". There being no objection, the amendment was adopted.

Delegate Planchard moved the adoption of an amendment to include nonprofit hospitals, nursing homes, etc. that had been submitted previously and withdrawn to be reworded. After discussion by the committee, Delegate Planchard withdrew it once again.

Delegates Chehardy, Schmitt, and Conroy offered an amendment to add on page 3, between lines 20 and 21 of CP 26, the following section:

"Section 5. Revenue Sharing Fund  
Section 5. There is hereby established and created a special fund in the State Treasury to be known as the Revenue Sharing Fund. The fund shall be composed of moneys which shall be transferred to it annually out of the state general fund by the state treasurer in the amount of eighty million dollars. This provision shall be self-operative. The legislature may allocate additional sums to the Revenue Sharing Fund and shall provide for distribution of the moneys in the fund to those local governing bodies, municipalities, police juries, boards, commissions, districts, and other agencies as may be designated by it."

There being no objection, the amendment was adopted.

Delegates Conroy, Chehardy and Schmitt offered an amendment to add in the language regarding the Revenue

Sharing Fund, at the end of the last line of Section 5, to delete the period "." and insert the following: "on the basis of the amount lost by reason of the exemptions provided in Section 2 (A) of this article." After discussion by the committee, the amendment was withdrawn.

Delegate Roemer offered a motion to recess at 11:50. There being no objection, it was so ordered.

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 CHAIRMAN

September 27, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

ALARID	✓						
BADEAUX	✓	yes		yes		yes	
BROWN							
CHAMPAGNE	✓	yes		yes		yes	
CHEHARDY	✓	no		yes		yes	
CONROY	✓	yes		yes		yes	
DE BLIEUX	✓						
EDWARDS	✓						
FONTENOT							
GOLDMAN	✓	yes		yes		yes	
LOWE	✓					yes	
MCDANIEL							
MAUBERRET							
MIRE	✓	yes		yes		yes	
NEWTON		yes		no		no	
NUNEZ	✓						
PLANHARD	✓	yes		yes		yes	
RAYBURN	✓						
ROEMER	✓	yes		yes		yes	
SCHMITT	✓	yes		no		yes	
SLAY	✓	yes		yes		yes	
SMITH	✓	yes		yes		yes	
WINCHESTER	✓						

ROLL CALL	Conroy amendment #1	Mire amendment #2	Conroy amendment #4
	ADOPTED 11-1	ADOPTED 10-2	ADOPTED 12-1

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 4, State Capitol  
 Baton Rouge, Louisiana  
 Thursday, October 4, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John Alario, Jr.  
 Mrs. Carolyn Badeaux  
 Walter J. Champagne  
 Lawrence Chehardy  
 David Conroy  
 Sen. J.D. De Blieux  
 Clyde Fontenot  
 Paul H. Goldman  
 Dr. Claude Mauberret, Jr.  
 Pegram Mire  
 Autley Newton

Absent: Sen. James Brown, Jr.  
 Frank Edwards  
 Herman "Monday" Lowe  
 J.A. McDaniel  
 Charles E. Roemer, III  
 Earl J. Schmitt

Sen. Samuel Nunez, Jr.  
 A.J. Planchard  
 Charles Slay  
 Jasper K. Smith  
 F.D. Winchester

The meeting was called to order by the chairman and a quorum was ascertained.

Amendments to CP 26, proposal on property taxes, was listed on the agenda for this meeting.

Delegate Conroy offered a motion for the adoption of an amendment that would insert on page 1 of CP 26, between lines 29 and 30, the following: "All property subject to taxation shall be re-appraised at intervals of not more than five years." The amendment was adopted with no objection.

Delegate Conroy offered a motion for the adoption of an amendment that would delete on page 1, all of lines 30-32 and on page 2, would delete all of line 1 and insert in lieu thereof the following:

"(D) The correctness of assessments by the assessor shall be subject to review by the governing authority of the parish, then by the Louisiana Tax Commission, and finally by the courts in accordance with procedures established by law."

There being no objection, the amendment was adopted.

Delegate Conroy offered a motion for the adoption of an amendment that would insert on page 2, immediately below line 1 of CP 26, and before the committee amendment adding a new Section entitled "Rate of State Property Taxation; Limitation," the following Paragraph:

"(E) The legislature may provide that agricultural, horticultural and timber lands will be assessed for the purpose of taxation at a percentage of use value rather than fair market value, which use value shall for all purposes of this Section be treated as the fair market value of such property."

After much discussion, Delegate Winchester offered a substitute motion that a period "." be placed on the fifth line of the amendment after the word "value" and the remaining part of that sentence "which use value shall for all purposes of this Section be treated as the fair market value of such property." be deleted. The substitute motion carried with a vote of 13-3 by the committee. The original amendment as amended was adopted with a vote of 14-2 by the committee.

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Delegate Planchard offered a motion for the adoption of an amendment that would delete Section (C) of Committee Amendment No. 1 relative to exemptions and would insert in lieu thereof the wording attached in the Committee Amendment No. 12. The amendment was adopted with a vote of 14-2 by the committee.

Delegate Nunez offered a motion for the adoption of an amendment that would delete the amendment stating "other than menhaden" which was adopted by the committee on September 27, 1973 and insert in lieu thereof the following on line 24 in Committee Amendment No. 1, relative to exemptions, after the word "seafood" the words "for human consumption." The amendment was adopted with no objection.

Mr. Chalin Perez, chairman of the Committee on Local and Parochial Government informed the committee at this time that he had been unable to obtain a quorum at a meeting that was to be held that morning to decide whether or not to delay the "Finance Section" of Local and Parochial Government's proposal, CP 17.

Delegate De Blieux offered a motion to adjourn at 12:00 noon. There being no objection, the meeting was recessed.

*B.B. Rayburn*  
 CHAIRMAN

VICE CHAIRMAN

SECRETARY

COMMITTEE ON REVENUE, FINANCE AND TAXATION

October 4, 1973

ALARIO	✓	yes	yes	yes		
BADEAUX	✓	yes	yes	yes		
BROWN						
CHAMPAGNE	✓	yes	yes	yes		
CHEHARDY	✓	yes	yes	yes		
CONROY	✓	yes	yes	yes		
DE BLIEUX	✓	yes	yes	yes		
EDWARDS						
FONTENOT	✓	no	yes	yes		
GOLDMAN	✓	yes	yes	yes		
LOWE						
MCDANIEL						
MAUBERRET	✓	no	no	yes		
MIRE	✓	yes	yes	yes		
NEWTON	✓	yes	yes	no		
NUNEZ	✓	yes	yes	yes		
PLANCHARD	✓	yes	yes	yes		
RAYBURN	✓					
ROEMER						
SCHMITT						
SLAY	✓	no	no	yes		
SMITH	✓	yes	yes	no		
WINCHESTER	✓	yes	yes	yes		

ROLL CALL sub. mot. amendment amendment  
 by Winchester #3 by Conroy #5 by Planchard  
 to amendment ADOPTED ADOPTED 14-2  
 #3 by Conroy 14-2  
 CARRIED 13-3

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 5, State Capitol

Baton Rouge, Louisiana

Friday, October 5, 1973, 9:00 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

PRESENT: John Alario, Jr.  
 Mrs. Carolyn Badeaux  
 Sen. James Brown  
 Walter J. Champagne  
 Lawrence Chehardy  
 David Conroy  
 Sen. J.D. De Blieux  
 Frank Edwards  
 Clyde Fontenot  
 Paul H. Goldman  
 Herman "Monday" Lowe  
 J.A. McDaniel  
 Dr. Claude Mauberret  
 Pegram Mire  
 Autley B. Newton  
 Sen. Samuel Nunez, Jr.  
 A.J. Planchard  
 Charles E. Roemer, III  
 Earl J. Schmitt  
 Charles Slay  
 Jasper K. Smith  
 F.D. Winchester

The meeting was called to order and a quorum was ascertained.

Chairman Rayburn suggested to the committee that they try to finish their work on CP 26, the property tax proposal, in order to report it out of committee at this meeting. Further discussion was held on the possibility of holding public hearings next week with no decision being made.

The committee then began consideration of amendments to CP 26. Delegate Conroy offered a motion for the adoption of an amendment that would on page 3, line 7, of CP 26 after the word "increased" and before the word "because", insert the words "or decreased" and another that would on page 3, line 12, after the word "same" and before the word "dollar", insert the word "total". Both amendments were adopted with no objection by the committee.

Delegate Conroy offered a motion for the adoption of an amendment that would on page 3, of CP 26, between lines 12 and 13, insert the following:

"Such millage adjustments shall be made without regard to limitations contained elsewhere in this constitution."

The amendment was adopted with a vote of 15-3 by the committee.

Delegate Mire offered a motion for the adoption of an amendment that would add on page 3 of CP 26, line 26, after the word and punctuation "election." the following sentence:

"When a vacancy occurs in the office of tax assessor the duties of the office, until it is filled by election as provided by law, shall be assumed by the chief deputy assessor."

The amendment was adopted with a vote of 16-1 by the committee.

Delegate Conroy offered a motion for the adoption of an amendment that would add on page 3, between lines 20 and 21 of CP 26, in the language added by Committee Amendment No. 1 regarding Revenue Sharing Fund. after the word "it" at the end of the last line of Section 5, delete the period "." and insert the following:

"on the basis of the amount lost by reason of the exemptions provided in Section 2 (A) of this article."

The amendment was rejected by the committee with a vote of 17-1.

Delegate Champagne offered a motion for the adoption of an amendment that would add on page 3, between lines 20 and 21 of CP 26, after Committee Amendment No. 1 adding a new Section entitled "Revenue Sharing Fund" and adopted by the committee on September 27, 1973, the following new Section:

"Section 7. Method of Distribution of Revenue Sharing Funds

Section 7. Revenue sharing funds shall be distributed by the legislature to the parishes solely on the basis of population and number of homesteads in the parish. The ratio to be used in making the distribution and the distribution of these funds by each parish shall be made in accordance with law."

The amendment was adopted with a vote of 18-1 by the committee.

Delegate Slay offered up an amendment for Delegate Shady Wall that would insert on page 4, beginning of line 3 of CP 26, the wording in Committee Amendment No. 6 attached to these minutes. Delegate Roemer stated that

-3-

the amendment was out of order and moved that it be referred to the Committee on Local and Parochial Government. Delegate Slay offered a substitute motion that the amendment be considered by this committee at this time. The substitute motion carried with a vote of 15-6 by the committee. A lengthy discussion followed with Judge James Dennis making a statement before the committee on his position in the matter. Delegate Champagne offered a motion that action be deferred on this amendment until a later date. Delegate Smith offered a substitute motion that this amendment be considered by the Committee on Education and Welfare instead. The substitute motion failed with a vote of 14-5 by the committee. The original motion to defer action carried with a vote of 13-8 by the committee.

Delegate Mauberret offered a motion for the adoption of an amendment to insert on page 4 of CP 26, line 3, the following Paragraph:

"(C) When a vacancy occurs in the office of tax assessor the duties of the office, until it is filled by election as provided by law, shall be assumed by the chief deputy assessor, except in the parish of Orleans, where the Board of Assessors for the parish of Orleans shall appoint the interim assessor."

The amendment was adopted with a vote of 12-9 by the committee.

Delegate Champagne then offered a motion that CP 26, property tax proposal, be reported out of committee with amendments with the names of the delegates that appeared on the original proposal, seconded by Delegate Goldman.

-4-

The motion carried with a vote of 11-8 by the committee.

Delegate Lowe moved to adjourn at 11:50 a.m. There being no objection, the meeting was adjourned.

*B. B. Rayburn*  
CHAIRMAN

VICE CHAIRMAN

SECRETARY

COMMITTEE ON REVENUE, FINANCE AND TAXATION

October 5, 1973

ALARIO	✓	yes	yes	no	yes	yes	no	no	
BADEAUX	✓	yes	yes	no	yes	yes	no	yes	
BROWN	✓								
CHAMPAGNE	✓	yes	yes	no	yes	no	yes	yes	
CHEHARDY	✓	yes	yes	no	yes	yes	no	no	
CONROY	✓	yes	yes	yes	yes	no	yes	yes	
DE BLIEUX	✓	yes	yes	no	yes	no	yes	yes	
EDWARDS	✓	yes		no	yes	yes	no	no	
FONTENOT	✓	yes	yes	no		yes	abstained	yes	
GOLDMAN	✓	yes	yes	no	yes	yes	abstained	yes	
LOWE	✓	yes	yes	no	yes	yes	no	no	
MCDANIEL	✓				yes	yes	no	yes	
MAUBERRET	✓	no	no	no	yes	yes	no	no	
MIRE	✓	yes	yes	no	yes	yes	no	yes	
NEWTON	✓				yes	yes	no	yes	
NUNEZ	✓					yes	no	no	
PLANCHARD	✓	yes	yes	no	yes	yes	no	yes	
RAYBURN	✓								
ROEMER	✓	yes	yes	no	yes	no	yes	yes	
SCHMITT	✓	yes	yes	no	yes	no	no	yes	
SLAY	✓	no	yes	no	yes	yes	no	no	
SMITH	✓	yes	yes	no	yes	no	yes	yes	
WINCHESTER	✓	no	yes	no	no	yes	no	no	

ROLL CALL  
 Conroy amend-ment #2 ADOPTED 15-3  
 Mire amend-ment #3 ADOPTED 16-1  
 Conroy amend-ment #4 REJECTED 1-17  
 Cham-pagne amend-ment #5 ADOPTED 18-1  
 sub. mot. by Slay CARRIED 15-6  
 sub. mot. by Smith refer Slay amendment to another comm. FAILED 5-14  
 Champagne motion to defer action on Slay amend CARRIED 13-8

COMMITTEE ON REVENUE, FINANCE AND TAXATION

October 5, 1973

ALARIO		yes	yes						
BADEAUX		yes	yes						
BROWN									
CHAMPAGNE		no	no						
CHEHARDY		yes	yes						
CONROY		no	no						
DE BLIEUX		no	no						
EDWARDS		yes	yes						
FONTENOT		no	no						
GOLDMAN		no	yes						
LOWE		no	no						

Page 2

MCDANIEL		no							
MAUBERRET		yes	yes						
MIRE		yes	yes						
NEWTON		yes							
NUNEZ		yes	yes						
PLANCHARD		yes	yes						
RAYBURN									
ROEMER		no	no						
SCHMITT		no	no						
SLAY		yes	yes						
SMITH		yes	no						
WINCHESTER		yes	yes						

ROLL CALL  
 Mauberret amendment #7 ADOPTED 12-9  
 Champagne motion to report CP 26 out of committee CARRIED 11-8

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COMMITTEE AMENDMENT

CC 7321

Amendment proposed by Committee on Revenue, Finance and Taxation  
 to Committee Proposal No. 26  
 by Delegate Rayburn, et al.

Amend printed proposal as follows:  
(Original, printed, engraved) (Proposal or Resolution)

AMENDMENT NO. 1

On page 4, beginning on line 3, insert the following:

"Section 6. ~~Ad Valorem Taxation; Change of City and School Districts~~  
 Section 6. No city or parish school district may levy ad valorem taxes on property outside its taxing jurisdiction. When the territorial limits of the city are changed, the territorial jurisdiction of the city school district and parish school district and the ad valorem taxation jurisdiction of the city school district and parish school district shall not be altered thereby. No person who resides outside the territorial boundaries of a city school district shall be eligible to vote for officials of the city school board, nor shall persons residing inside the city school district be eligible to vote for officials of the Parish School district."

MINUTES

Minutes of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of Louisiana of 1973

Committee Room 5, State Capitol Building  
 Baton Rouge, Louisiana  
 Tuesday, November 20, 1973, 9:30 a.m.

Presiding: Sen. B.B. "Sixty" Rayburn, Chairman

Present: John A. Alario, Jr.  
 Mrs. Carolyn Badeaux  
 Walter J. Champagne  
 Lawrence Chehardy  
 David Conroy  
 Sen. J.D. De Blieux  
 Paul H. Goldman  
 Herman "Monday" Lowe  
 J.A. McDaniel  
 Dr. Claude Mauberret, Jr.  
 Pegram Mire  
 Sen. Samuel Nunez, Jr.  
 A.J. Planchard  
 Charles E. Roemer, III  
 Earl J. Schmitt  
 Jasper K. Smith

Absent: Sen. James Brown, Jr.  
 Frank M. Edwards, Jr.  
 Clyde Fontenot  
 Autley B. Newton  
 Charles Slay  
 F. D. Winchester

The meeting was called to order by the chairman and a quorum was ascertained.

Delegate Mire offered a motion for the adoption of the minutes of September 13-14, September 20-21, September 27, and October 4-5, 1973. There being no objection, the minutes were adopted.

Delegate McDaniel offered a motion that the committee only consider Committee Proposal No. 15 at this meeting. There being no objection, it was so ordered.

Delegate Conroy offered an amendment to Committee Proposal No. 15, page 1, line 25, after the word and punctuation "committees." to insert the following:

"Notwithstanding any other provision of this constitution, any law by which taxes are imposed may define or specify the amount, subject, or provisions of such tax by reference to any provision of the laws of the United States as they then exist or may thereafter be changed, and may prescribe exceptions or modifications to any such provision."

After discussion by the committee, Delegate Conroy decided to withdraw the amendment at this time to get the Collector of Revenue's opinion on it. There being no objection, it was so ordered.

Delegate Nunez offered an amendment to add on page 2, at the end of line 15, the following:

"However sulphur in place shall be assessed for ad valorem taxation to the person, firm or corporation having the right to mine or produce the same in the Parish where located, at no more than twice the total assessed value of the physical property subject to taxation excluding the assessed value of sulphur above ground, in such parish as is used in sulphur operations."

Delegate Nunez moved the adoption of the amendment, and it was adopted with a vote of 13-3 by the committee.

Delegate Conroy offered an amendment to delete on page 3, line 4 of CP 15 after the word "all" the word "other". The amendment was adopted with no objection.

Delegate Goldman offered an amendment to delete on page 2, line 2, after the semicolon ";" the remainder of the line and lines 3 through 5, inclusive in their entirety, and insert in lieu thereof the following:

"however, for state income tax purposes, federal income taxes paid shall be deductible in computing the amount of net income."

After discussion by the committee, Delegate Nunez offered a motion to defer action on the amendment until an opinion could be obtained from the Collector of Revenue. There being no objection, the amendment was withdrawn.

-2-

Delegate Conroy offered an amendment to delete on page 2, line 20, after the word "levy" the word "taxes" and delete lines 21 through 26, both inclusive, in their entirety and insert in lieu thereof the following:

"severance taxes, income taxes or taxes on motor fuel."

There being no objection, the amendment was adopted.

Delegate Conroy offered an amendment to delete on page 3, line 17, after the letter "(A)" and before the word "state" the word "The" and insert in lieu thereof the following:

"Unless otherwise authorized by this constitution, the"

There being no objection, the amendment was adopted.

Delegate Alario offered an amendment to insert on page 9, line 8, a new Section entitled "Section 19. Homestead Exemptions; Seizure and Sale". (See attached amendment for the wording)

After much discussion by the committee, Delegate Alario agreed to withdraw the amendment until it could be studied further.

There being no objection, it was so ordered.

Delegate Conroy offered a series of four amendments as follows:

AMENDMENT NO. 1

On page 5, line 30, after the word "as" insert the words "the result of"

AMENDMENT NO. 2

On page 5, line 31, after the word "thereof" insert the words "or of agreements pertaining thereto"

AMENDMENT NO. 3

On page 6, line 5, after the word "as" insert the words "the result of"

AMENDMENT NO. 4

On page 6, line 7, after the word "thereof" insert the words

-3-

"or of agreements pertaining thereto"

There being no objection, the amendments were adopted.

Delegate Conroy offered an amendment that would on page 6, at the end of line 2, after the word "legislature" change the period "." to a comma "," and add the following:

"and except money received by state agencies operating under authority of this constitution preponderantly from fees and charges for the shipment of goods in international maritime trade and commerce."

Delegate McDaniel offered a motion to pass over the amendment at this time. Delegate Lowe offered a substitute motion to adopt the amendment. The substitute motion carried with a vote of 13-2 by the committee.

Delegate Conroy offered an amendment to insert on page 5, between lines 24 and 25, the following:

"(C) Limited Time for Contesting State Bonds. Bonds, notes, certificates, or other evidence of indebtedness (hereafter referred to collectively as "bonds") shall not be invalid for any irregularity or defect in the proceedings or the issuance and sale thereof, and shall be incontestible in the hands of a bona fide purchaser or holder thereof. The issuing agency, after authorizing the issuance of bonds by resolution, shall publish once in the official journal of the state a notice of intention to issue the bonds and a description thereof and the security therefor and for a period of thirty days only after such publication any person in interest shall have the right to contest the legality of said resolution and any provision therein of the bonds to be issued pursuant thereto and the provisions and proceedings in connection with the authorization and issuance of the bonds. If such action or proceedings shall not have been instituted within the said 30 day period, no one shall have any right of action to contest the validity of the bonds or the provisions of the resolution pursuant to which the bonds were issued or the security of the bonds or the validity of any other provisions or proceedings in connection with the authorization and issuance of the bonds and all the bonds conclusively shall be presumed to be legal, and no court thereafter shall have authority to inquire into such matters."

There being no objection, the amendment was adopted.

-4-

Delegate Conroy offered a series of three amendments that were technical changes to Committee Proposal No. 15.

AMENDMENT NO. 1

On page 6, line 20, after the word "law" delete the remainder of the line and delete line 21 in its entirety

AMENDMENT NO. 2

On page 6, line 25, after the letter "(C)" delete the remainder of the line and on line 26, delete the words "one year, and the" and insert in lieu thereof the word "The"

AMENDMENT NO. 3

On page 7, at the end of line 2, delete the words "under the head or" and delete line 3 in its entirety and insert in lieu thereof the partial word "ex-"

These amendments were adopted with no objection.

Delegate Conroy offered an amendment to delete on page 8, line 22, the word "however" and insert in lieu thereof the words "and provided that". There being no objection, the amendment was adopted.

Delegate Conroy offered another amendment to delete on page 7, line 29, after the semicolon ";" the remainder of the line and lines 30 and 31, in their entirety, and insert in lieu thereof the following:

"Prohibition of Loan, Pledge, or Donation of Public Property; Exceptions for Public Purpose"

There being no objection, the amendment was adopted.

Delegate Nunez then offered a motion that Committee Proposal No. 15 be adopted with amendments and reported out of the committee. There being no objection, it was so ordered.

The committee adjourned at 11:20 a.m.

CHAIRMAN

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November 20, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

ALARIO	✓	yes	yes																	
BADEAUX	✓	yes	yes																	
BROWN																				
CHAMPAGNE	✓	no	yes																	
CHEHARDY	✓	yes	yes																	
CONROY	✓	yes	yes																	
DE BLIEUX	✓	no	yes																	
EDWARDS																				
FONTENOT																				
GOLDMAN	✓	yes	yes																	
LOWE	✓	yes	yes																	
MCDANIEL	✓	yes	no																	
MAUBERRET	✓	yes	yes																	
MIRE	✓	yes	yes																	
NEWTON																				
NUNEZ	✓	yes	no																	
PLANCHARD	✓	yes	yes																	
RAYBURN	✓																			
ROEMER	✓	yes																		
SCHMITT	✓	yes	yes																	
SLAY																				

SMITH	✓	no	yes						
WINCHESTER									

ROLL CARRIED CARRIED  
CALL 13-3 13-2  
Amendment Delegate  
by Delegate Lowe's substitute  
Nunez motion to adopt  
Conroy amendment

#7 11-20-73  
Handwritten signatures: *Handwritten*, *AMKID*

COMMITTEE AMENDMENT

CC 7323

Amendment proposed by Committee on Revenue, Finance and Taxation

Committee Proposal No. 20

Delegate Rayburn, et al.

printed Proposal as follows:

AMENDMENT NO. 1

9 ~~Section 8~~ on line 8

On page 4, line 3, insert the following:

"Section 7. Homestead Exemptions; Seizure and Sale  
Section 7. (A) There shall be exempt from seizure and sale by any process whatever, except as hereinafter provided, the homestead, bona fide, owned by the debtor and occupied by him, consisting of lands, not exceeding one hundred and sixty acres, buildings and appurtenances, whether rural or urban, of every head of a family, or person having a mother or father or a person or persons dependent on him or her for support to the total value of not more than fifty thousand dollars.

Provided, that in case the homestead exceeds fifty thousand dollars in value, the beneficiary shall be entitled to that amount in case of a sale of the homestead under legal process realizes more than that sum; if the sale does not realize more than that, over and above all costs and expenses, said sale shall be null and void.

The benefit of this exemption may be claimed by the surviving spouse, or minor child or children, or a deceased beneficiary.

(B) A homestead exemption shall not apply to the following debts:

- (1) For the purchase price of property or any part of such purchase price.
- (2) For labor, money, and material furnished for building, repairing, or improving homesteads.
- (3) For liabilities incurred by any public officer, fiduciary, or attorney-at-law, for money collected or received on deposits.
- (4) For taxes or assessments.
- (5) For rent which bears a privilege upon the homestead.
- (6) For the amount due a homestead or building and loan association for a loan secured by the homestead.
- (7) For the amount due for money advanced on the security of a mortgage on the homestead.

(C) The right to sell voluntarily any property that is exempt as a homestead shall be preserved; but no sale shall destroy or impair any rights of creditors thereon. Any person entitled to a homestead may waive same, in whole or in part, by signing a written waiver thereof; provided, that is such person be married, and not separated from bed and board from the other spouse, then the waiver shall not be effective unless signed by the latter; and all such waivers shall be recorded in the mortgage records of the parish where the homestead is situated. Such waiver may be either general or special, and shall have effect from the time of recording.

(D) Homestead exemptions must be registered only in cities having a population of two hundred and fifty thousand or more and shall be recorded as provided by law."

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973  
Held pursuant to notice given in accordance with the rules of the Convention  
Ante Room, White House Inn  
Baton Rouge, Louisiana  
Thursday, December 13, 1973, 12:00 noon

PRESIDING: Charles E. Roemer, III, Vice Chairman

PRESENT: John A. Alario, Jr.  
Mrs. Carolyn Badeaux  
Sen. James Brown, Jr.  
Walter Champagne  
David Conroy  
Sen. J.D. De Blieux  
Clyde Fontenet  
Paul Goldman  
Herman "Monday" Lowe  
J.A. McDaniel  
Pegram Mire  
Autley Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Earl J. Schmitt  
Jasper K. Smith  
F.D. Winchester

ABSENT: Lawrence Chehardy  
Frank Edwards, Jr.  
Dr. Claude Maubert, Jr.  
Sen. B.B. Rayburn  
Charles Slay

The meeting was called to order by the vice chairman and a quorum was ascertained.

Delegate Newton offered a motion to adopt the minutes of the meeting of November 20, 1973. There being no objection, the minutes stood adopted.

The committee began discussion on Delegate Proposal No. 21 by Delegate Welborn Jack, dealing with the making of provisions for a deduction in state income taxes for federal income tax payments made during the same period. Delegate Newton offered a motion to report Delegate Proposal No. 21 out of the committee unfavorably. Delegate Smith offered a substitute motion to report the delegate proposal out of the committee favorably. Delegate Smith's substitute motion failed with a vote of 10-7 by the committee. Delegate Newton's motion failed with a vote of 9-9 by the committee. Delegate Champagne then offered a motion to report Delegate Proposal No. 21 out of the committee without action. Delegate De Blieux offered a substitute motion to defer action on the proposal. Delegate De Blieux's substitute motion carried with a vote of 9-8 by the committee thereby deferring action on Delegate Proposal No. 21.

The committee next began discussion on Delegate Proposal No. 16 dealing with the making of provisions for homestead exemption by Delegate Alario, et al. Delegate Newton offered an amendment to change in Delegate Proposal No. 16, on page 1, line 17, after the word "than" the words "fifty thousand" to the words "ten thousand" and moved the adoption. The amendment was adopted with a vote of 12-5 by the committee. Delegate Nunez then offered an amendment to change in DP. No. 16, on page 1, line 17, after the words "than" the words "fifty thousand" to the words "twenty thousand." Delegate Smith moved the previous question. The amendment failed to carry with a

-2-

vote of 8-9 by the committee. Delegate Champagne offered an amendment to change the abovementioned numeral "fifty thousand" to the numeral "fifteen thousand." This amendment carried with a vote of 12-5 by the committee.

Delegate Alario then offered a motion to report Delegate Proposal No. 16 out of committee with amendment. There being no objection, it was so ordered.

The committee next began discussion on Delegate Proposal No. 17 by Delegate Planchard dealing with the making of provisions prohibiting lotteries. Delegate Brown offered a motion to defer action on the proposal until a time could be set by the chairman for an opening hearing on the subject. Delegate McDaniel moved the previous question. The motion failed to carry with a vote of 3-14 by the committee. Delegate Mire then moved the previous question on Delegate Proposal No. 17. Delegate Proposal No. 17 was reported out of committee favorably with a vote of 10-7 by the committee.

The committee then began discussion on Delegate Proposal No. 33 by Delegate Dennis dealing with the financing of the judicial system.

Delegate Goldman offered a motion that the committee recess until the following day. There being no objection, the committee stood recessed at 1:45 p.m.

*C. E. Roemer, III*  
CHAIRMAN

DP NO.		
16	Alario, et al.	Reported with amendment.
17	Planchard	Reported favorably.
21	Jack	Reported favorably
33	Dennis	Reported without action
34	Dennis	
55	Fontenot	Reported without Action
60	Jenkins	Deferred Action
77	Robinson	Reported without Action
91	Zervigon	Deferred Action
95	Bel	Deferred Action

**NOTES**

D. P. Nos. 16 and 17 are reproduced above in Volume IV.

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held pursuant to notice given in accordance with the rules of the Convention

Assembly Room, White House Inn  
Baton Rouge, Louisiana  
Friday, December 14, 1973, 12:20 p.m.

PRESIDING: Charles E. Roemer, III, Vice Chairman

<p>PRESENT: John A. Alario, Jr. Mrs. Carolyn Badeaux Sen. James Brown, Jr. Walter Champagne David Conroy Sen. J.D. De Blieux Clyde Fontenot Paul Goldman Dr. Claude Mauberrret, Jr. Pegram Mire Autley Newton A.J. Planchard Earl J. Schmitt Jasper K. Smith F. D. Winchester</p>	<p>ABSENT: Lawrence Chehardy Frank Edwards, Jr. Herman "Monday" Lowe J.A. McDaniel Sen. Samuel Nunez, Jr. Sen. B.B. Rayburn Charles Slay</p>
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The meeting was called to order by the vice chairman and a quorum was ascertained.

The committee continued discussion of the delegate proposals that had been referred to this committee. Delegate Fontenot offered a motion to report Delegate Proposal No's. 55, 91, and 95 out of committee without action. Delegate Newton offered a substitute motion to defer action on Delegate Proposal No's. 91 and 95 and report Delegate Proposal No. 55 without action. Delegate Schmitt asked for a division of the question, voting on each of the three Delegate Proposals separately. The first vote occurred on D.P. #55, to report it out of committee without action. The motion carried with a vote of 14-0 by the committee. The second vote

**COMMITTEE ON REVENUE, FINANCE AND TAXATION**

	yes	no	no	no	yes	yes	yes	no
ALARIO								
BADEAUX	yes	no	no	yes	yes	yes	no	yes
BROWN	no	yes	no	yes	no	yes	yes	yes
CHAMPAGNE	no	no	no	yes	no	yes	no	yes
CHEHARDY								
CONROY	no	yes	yes	yes	no	no	no	no
DE BLIEUX	no	yes	yes	yes	no	no	no	yes
EDWARDS								
FONTENOT	no	yes	yes	yes	no	no	yes	no
GOLDMAN	yes	no	no	yes	yes	yes	no	no
LOWE	no	yes	yes	no	yes	yes	no	
MCDANIEL	yes	no	yes	yes	no	yes	no	yes
MAUBERRET								
MIRE	no	yes	yes	no	yes	yes	no	yes
NEWTON	no	yes	yes	yes	no	no	no	no
NUNEZ	no	yes	yes	no	yes	yes	no	no
PLANCHARD	yes	no	no	yes	yes	yes	no	yes
RAYBURN								
ROEMER		no						yes
SCHMITT	no	yes	yes	yes	no	yes	no	no
SLAY								
SMITH	yes	no	no	yes	no	no	no	yes
WINCHESTER	yes	no	no	no	yes	yes	no	yes

Smith sub. mot. on DP 21 to report favorable. FAILED 10-7  
 Newton sub. mot. to report unfavorably. FAILED 9-9  
 DeBlieux sub. mot. to defer action. CARRIED 9-8  
 Newton amendment to DP 16 for "10 thousand" ADOPTED 12-5  
 Nunez amendment to DP 16 for "20 thousand" FAILED 8-9  
 Champagne amendment to DP 16 for "15 thousand" ADOPTED 12-5  
 Brown mot. to defer action on DP 17. FAILED 3-14  
 Planchard mot. for a favorable report on DP 17. CARRIED 10-7

occurred on DP #91, to defer action on it. The motion carried with a vote of 8-6 by the committee. The third vote occurred on DP. #95, to defer action on it. The motion carried with a vote of 10-4 by the committee.

The committee then began discussion on Delegate Proposal No. 21 by Delegate Jack. The committee agreed to reconsider the action taken on this proposal in the meeting of December 13, 1973. Delegate De Blieux offered a motion to report Delegate Proposal out of committee with an unfavorable report. Delegate Smith offered a substitute motion to report Delegate Proposal No. 21 out of committee with a favorable report. Delegate Newton called for the previous question. The substitute motion carried with a vote of 8-6 by the committee.

Delegate Newton offered a motion to defer action on Delegate Proposal No. 60 by Delegate Jenkins dealing with making provisions to control future growth of state tax revenues. Delegate Mire moved the previous question. There being no objection to the motion, action was deferred on Delegate Proposal No. 60.

Delegate Mire offered a motion to report Delegate Proposal No. 77 out of committee without action. There being no objection, it was so ordered.

Discussion was resumed by the committee on Delegate Proposal No. 33 from the meeting of December 13, 1973. Delegate De Blieux offered an amendment to DP #33, line 8, after the word "The" and before the word "judicial" delete the word "entire" and insert in lieu thereof the word "state" and on line 9, after the word and punctuation "level." delete the remainder of the line and delete lines 10 through 15 in their entirety. The amendment was adopted by the committee with a vote of 10-5. Delegate De Blieux then offered a motion that Delegate Proposal No. 33 be reported out of committee with amendment. Delegate Alario offered a substitute motion to report Delegate Proposal No. 33 out of committee with an unfavorable report. The substitute motion failed to carry with a vote of 8-8 by the committee. The original motion failed to carry also with a vote of 8-8 by the committee. Delegate Schmitt then offered a motion to report Delegate Proposal No. 33 out of committee without action. Delegate Alario offered a substitute motion for the committee to recess at this time. The substitute motion failed to carry with a vote of 4-10 by the committee. The original motion was adopted with no objection.

The committee recessed at 2:00 p.m.

*Alario*  
CHAIRMAN

December 14, 1973

COMMITTEE ON REVENUE, FINANCE AND TAXATION

ALARIO	✓	yes	yes	yes	yes	no	yes	no	
BADAUX	✓	yes	yes	yes	yes	no	yes	no	

BROWN	✓						yes	no	yes
CHAMPAGNE	✓	yes	yes	yes	no	no	yes	no	
CHEHARDY									
CONROY	✓	yes	no	no	no	yes	no	yes	
DE BLIEUX	✓	yes	yes	yes	no	yes	no	yes	
EDWARDS									
FONTENOT	✓	yes	no	no	no	no	yes	no	
GOLDMAN	✓	yes	no	no	yes	yes	no	yes	
LOWE									
MC DANIEL									
MAUBERRET	✓	yes	yes	yes	yes	no	yes	no	
MIRE	✓	yes	no	yes	yes	yes	yes	no	
NEWTON	✓	yes	yes	yes	no	yes	no	yes	
NUNEZ									
PLANCHARD	✓	yes	yes	yes	yes	yes	yes	no	
RAYBURN									
ROEMER	✓						no	yes	
SCHMITT	✓	yes	no	no	no	yes	no	yes	
SLAY									
SMITH	✓	yes	yes	yes	yes	yes	no	yes	
WINCHESTER	✓	yes	no	yes	yes	yes	yes	no	

Del. Newton's sub. mot. to report OP #55 without action. CARRIED 14-0  
 Newton - defer action on OP #91 CARRIED 8-6  
 Newton - defer action on DP #95 CARRIED 10-4  
 Smith sub mot. to report Op #21 out favorably. CARRIED 8-6  
 De Blieux's amend-ment to OP #33: CARRIED 10-5  
 Alario sub. mot to report Op. #33 out with an unfavorable report. FAILED 8-8  
 De Blieux mot. to report DP #33 out favorably. FAILED 8-8

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**NOTES**  
 D. P. Nos. 55, 91, and 95 are reproduced above in Volume IV.

MINUTES

Minutes of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held pursuant to notice by the Secretary in accordance with the Rules of the Convention

Committee Room No. 5, State Capitol  
 Baton Rouge, Louisiana  
 Monday, January 7, 1973, 10:30 a.m.

Presiding: Senator B. B. "Sixty" Rayburn, Chairman of the Committee on Revenue, Finance and Taxation

Present

- Mrs. Carolyn Badeaux
- Walter J. Champagne
- Lawrence Chehardy
- David Conroy
- Senator J. D. De Blieux
- Frank Edwards
- Clyde Fontenot
- Paul H. Goldman
- J. A. McDaniel
- Dr. Claude Mauberret, Jr.
- Pegram Mire

Absent

- John A. Alario, Jr.
- Senator James Brown
- Herman "Monday" Lowe
- Autley B. Newton
- Earl J. Schmitt
- F. D. Winchester

Samuel B. Nunez  
 A. J. Planchard  
 Senator B. B. "Sixty" Rayburn  
 Charles E. Roemer, III  
 Charles Slay  
 Jasper K. Smith

Chairman Rayburn called the meeting to order at 10:45 a.m. Roll was called and a quorum established. The chairman requested Mr. Conroy, chairman of the subcommittee on style and drafting, to report on the Caveats to Committee Proposal No. 26.

Mr. Conroy reported that essentially the corrections by Style and Drafting were in order except in those areas where the subcommittee had particular recommendations. Most of the changes, however, were what they were reported to be and generally favorable.

Referring to Section 1(D), Mr. McDaniel moved to accept Style and Drafting Committee's suggested change that assessors shall determine use value, and the Caveat was adopted with no objections.

The next Caveat relates to 4(B), Dedicated Places of Burial. Mr. Conroy stated the feeling of the subcommittee was to keep the Section "as is".

Senator Rayburn said he was of the opinion that the language of the committee was the way it was intended to be.

After discussion by the committee and Mr. Spaht, representing the Louisiana Cemetery Association, Mr. Nunez moved to adopt Style and Drafting Committee's print-out of Section 4(B).

Mr. Fontenot said the words "dedicated places of burial" would be more appropriate if they were placed in the middle of line 7, page 11, after the words "educational purposes."

Mr. Roemer stated that if we moved the location of the phrase "dedicated places of burial", we would exempt all places of burial. That was not the intent of this committee. This is a subject of valid concern as to whether or not it does in fact do what we want it to. If we change location of "dedicated place of burial" then we do injustice to the committee. If we leave it where it is we still do injustice to the committee.

Vice chairman Edwards assumed the chair.

Mr. Smith thought we should put the word "irrevocable" in the phrase.

Mr. Fontenot recommended we put it after "educational purposes,"

Mr. Mire said that if this committee feels "dedicated places of burial" should be exempt, it should go back to the whole convention. If the convention wants to clear it up, it will.

Mr. Champagne asked why the committee doesn't designate a committee to write in two versions and offer them to the convention for that one specific purpose only.

Mr. Slay called for the question.

Mr. Chehardy made a substitute motion that on page 13, between

-2-

lines 27 and 28 insert the words "irrevocably dedicated places of burial held by individuals for purposes of burial of themselves or members of their family."

Mr. Nunez stated he was in favor of the substitute motion.

Chairman Edwards stated Senator Nunez moved we adopt Style and Drafting Committee's proposal as printed out on page 11, to which Mr. Chehardy made a substitute motion we insert on page 13, between lines 27 and 28, the words "irrevocably dedicated places of burial held by individuals for purposes of burial of themselves or members of their family", and in addition to that language to adopt Style and Drafting's proposal on page 11.

Mr. Fontenot objected.

The question was ordered.

15 yeas and 1 nay. Motion carried.

Roll was called on the motion, and it was passed with 15 yeas and one abstaining.

Next Caveat, Section 4(B), Item 3:

Mr. Conroy stated the Chairman of the Tax Commission recommended paragraph 3 should remain as it appears on page 11.

Vice chairman Edwards asked if there were any objections to the recommendation. Hearing none, the Caveat was approved.

Mr. Conroy then said the subcommittee recommended the phrase "the states of the United States" be used in lieu of "continental United States" on page 14, 15, and 16 of Section 4(D). Without objection the Caveat to 4(C) and (D) was approved.

Mr. Conroy said the subcommittee recommended the insertion of "Sections 1 and 3" before the words "of this Article" on lines 17, and 27 of page 21 and line 11 of page 22 of Section 6.

After discussion, Mr. Conroy moved to make the suggested changes. There being no objection, the motion carried and the changes ordered to Section 6.

Mr. Conroy advised that the subcommittee also suggested on page 33, move the word "A" at the end of line 37, line 38 and on page 34, line 1, to the end of line 29 in page 33.

There were no objections. Adopted.

The Vice chairman noted this concludes the report of the subcommittee.

Mr. Conroy moved approval of changes and adoption of Style

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and Drafting Committee's Proposal as amended.

Mr. Slay seconded.

MR. Champagne objected.

Roll was called. The motion carried with 13 yeas and 2 nays.

Mr. Smith moved to report unfavorably on Delegate Proposals Nos. 34, 60, 91 and 95.

Mr. Smith withdrew his motion.

Mr. Roemer moved to report the four Delegate Proposals "Without Action."

There being no objection the motion was adopted.

The chairman announced the next item on the agenda was the consideration of the reports on Committee Proposals 15 and 26. He asked Mrs. Duncan to explain dispositions of Articles in the two proposals.

Mr. Conroy remarked that the committee would have at least one more meeting and moved that the committee postpone the disposition of these two proposals until a later meeting.

Mr. Chehardy seconded the motion.

Mrs. Duncan urged that the committee please consider this for transitional purposes very carefully and promptly.

Mr. Champagne suggested a committee be appointed to study the reports.

The Vice chairman agreed and stated Chairman Rayburn would be requested to do that this afternoon.

There being no further business, the meeting adjourned subject to call.

*B. B. Rayburn*  
 B. B. "Sixty" Rayburn

Frank Edwards, Vice Chairman

Secretary

January 7, 1974

COMMITTEE ON REVENUE, FINANCE AND TAXATION

ALARIO	A				
BADEAUX	✓	yes	yes	yes	
BROWN	A				
CHAMPAGNE	✓	yes	yes	no	
CHEHARDY	✓	yes	yes	yes	
CONROY	✓	yes	yes	yes	
DE BLIEUX	✓	yes	yes	yes	
EDWARDS	✓	yes	yes	yes	
PONTENOT	✓	no	pass	no	
GOLDMAN	✓	yes	yes	yes	
LOWE	A				
MC DANIEL	✓	yes	yes	yes	
MAUBERRET	✓	yes	yes	yes	
MIRE	✓	yes	yes	yes	
NEWTDN	A				
NUNEZ	✓	yes	yes	--	
PLANCHARD	✓	yes	yes	yes	
RAYBURN	✓				

ROEMER	✓	yes	yes	yes					
SCHMITT	A								
SLAY	✓	yes	yes	yes					
SMITH	✓	yes	yes	yes					
WINCHESTER	A								

Vote on prev. ques. on Chehardy's mot. to amend p. 11 of Style & Drafting Proposal. CARRIED 15-1

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Constitution of 1973

Held pursuant to notice by the Secretary in accordance with the Rules of the Convention

Assembly Room, White House Inn  
Baton Rouge, Louisiana  
Saturday, January 12, 1974, 12:45 p.m.

**PRESIDING:** Frank M. Edwards, Jr., Vice Chairman of the Committee on Revenue Finance and Taxation

**PRESENT:** John A. Alario, Jr.  
Mrs. Carolyn Badeaux  
Walter Champagne  
David Conroy  
Sen. J.D. De Blieux  
Frank Edwards, Jr.  
Clyde Fontenot  
Paul Goldman  
J.A. McDaniel  
Dr. Claude Mauberret  
Pegram Mire  
Autley Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Charles E. Roemer, III  
Charles Slay  
Jasper K. Smith  
F.D. Winchester

**ABSENT:** Sen. James Brown, Jr.  
Lawrence Chehardy  
Berman "Monday" Lowe  
Sen. B.B. Rayburn  
Earl J. Schmitt

The meeting was called to order and a quorum was ascertained.

Delegate Conroy's presentation to the committee at this time was the report of the Subcommittee on Style and Drafting, appointed by this committee to review the report of the Committee on Style and Drafting, relative to Committee Proposal No. 15.

Each suggested change by the Committee on Style and Drafting to Committee Proposal No. 15 was discussed by the committee and adopted with no objection.

Delegate Conroy offered a motion to adopt the report from the Committee on Style and Drafting relative to Committee Proposal No. 15 in its entirety. The motion carried with no objection.

The meeting was adjourned at 1:30 p.m.

*Frank M. Edwards, Jr.*  
VICE CHAIRMAN

1-12-74

COMMITTEE ON REVENUE, FINANCE AND TAXATION

ALARIO	✓	yes							
BADEAUX	✓	yes							
BROWN									
CHAMPAGNE	✓	yes							
CHEHARDY									
CONROY	✓	yes							
DE BLIEUX	✓	yes							
EDWARDS	✓	yes							
FONTENOT	✓	yes							
GOLDMAN	✓	yes							
LOWE									
MC DANIEL	✓								
MAUBERRET	✓								
MIRE	✓	yes							
NEWTON	✓	yes							
NUNEZ	✓	yes							
PLANCHARD	✓	yes							
RAYBURN									
ROEMER	✓	yes							
SCHMITT									
SLAY	✓	yes							
SMITH	✓	yes							
WINCHESTER	✓	yes							

MINUTES

Minutes of the meeting of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of Louisiana of 1973

Held pursuant to notice given in accordance with the Rules of the Convention

Assembly Room, White House Inn  
Baton Rouge, Louisiana  
Monday, January 14, 1974, 12:30 p.m.

**PRESIDING:** Sen. B.B. "Sixty" Rayburn, Chairman

**PRESENT:** Mrs. Carolyn Badeaux  
Walter J. Champagne  
Sen. J.D. De Blieux  
Clyde Fontenot  
Paul Goldman  
Dr. Claude Mauberret  
Pegram Mire  
Autley Newton  
A.J. Planchard  
Charles Slay  
Jasper K. Smith  
F.D. Winchester

**ABSENT:** John A. Alario, Jr.  
Sen. James Brown, Jr.  
Lawrence Chehardy  
David Conroy  
Frank Edwards  
Herman "Monday" Lowe  
J.A. McDaniel  
Sen. Samuel Nunez, Jr.  
Charles E. Roemer, III  
Earl J. Schmitt

The meeting was called to order by the chairman and a quorum was ascertained.

Delegate Planchard offered a motion for the adoption of the minutes of the meetings of the following dates: December 13, December 14, 1974, and January 7, and January 12, 1974. There being no objection, the minutes stood adopted.

Discussion was held by the committee on the transitional reports on CP 15 and CP 26 which were prepared by the staff and approved by the special subcommittee appointed to review the reports. Delegate Newton offered a motion to adopt the reports and submit them to the Committee on Legislative Liaison and Transitional Measures, seconded by Delegate Mire. There being no objection, the report stood adopted.

The committee adjourned at 12:50 p.m.

  
CHAIRMAN

NOTES

Disposition Tables for C. P. Nos. 15  
and 26 are reproduced below in Volume XIV.

## B. Subcommittee Minutes

### 1. Subcommittee to Establish Guidelines for Public Hearings

#### MINUTES

Minutes of the Meeting of the Subcommittee To Establish Guidelines for Public Hearings of the Committee on Revenue, Finance, and Taxation

Senate Lounge of the State Capitol, Baton Rouge, Louisiana

Friday, March 16, 1973, 4:30 p.m.

Present: Walter J. Champagne, Jr.  
James H. Brown, Jr.  
Lawrence Chehardy  
David Conroy  
Risley C. Triche

The first order of business was the election of Mr. Triche as Chairman.

After discussion of the various suggestions offered by the Committee immediately preceding the subcommittee's meeting, Mr. Chehardy asked who should be allowed to appear before the Committee in hearings.

Mr. Champagne suggested that during the Friday morning session that the Committee members appearing be limited to two in number. He further suggested witnesses be invited by the Committee on the recommendation of the research staff, and limited to four in number, and be allotted a specified length of time. He further recommended that the Friday afternoon session be devoted to hearing other witnesses, who would be registered by the Chairman.

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Mr. Conroy voiced the belief that the Friday afternoon speakers would assume the Committee possessed expertise on the subject, but in order to gain such knowledge, the Committee should first hear representative witnesses discuss the pros and cons. Then, he suggested the Committee could later request others to appear in a less extensive and comprehensive session.

Senator Brown agreed that members of the Committee should be heard on Friday morning, but that at 1:30 p.m. of the first day particular groups of people or their representatives whom the Committee would like to hear should appear. Those with certain or different viewpoints should be invited. On Saturday, Senator Brown added, the Committee should hear a limited number of speakers from the public, and the amount of time allocated to each for his remarks would be determined by the number of such speakers. Saturday's afternoon session would be devoted to the Committee's deliberations and conclusions.

After a brief discussion of the merits and problems relating to these suggestions, the Chairman recommended that the staff be directed to invite proponents, opponents and authorities to speak in the Friday morning session, and that the staff provide a written agenda. Further suggesting a written agenda with speakers identified, the Chairman recommended that Saturday be reserved for the general public.

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The Chairman, following discussion on these suggestions, said that inclusion of testimony from various litigants involved with ad valorem suits, assessors, and advocates, and a staff analysis could be considered in the organization of Friday witnesses.

Mr. Champagne then reviewed the proposed schedule:

Friday a.m.	-	Discussion in Committee
Friday p.m.	-	Invited Witnesses
Saturday a.m.	-	Remaining Witnesses and Representatives of the Public (as registered with Secretary)

It was further decided that the staff would be directed to issue invitations to representative expert witnesses and that Committee members could also recommend to the staff other possible witnesses. Speaking time for invited witnesses would be limited to 15 minutes, and those speaking in un-scheduled period would have five minutes allotted. The subcommittee decided to urgently recommend that each witness supply a written version of his presentation.

Without objection, the following summary was moved for recommendation to the whole Committee:

- 1) That on Friday morning, the first day of hearings on Ad Valorem Taxation, the Committee hear discussion by the members;

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- 2) That the Friday afternoon sessions be limited to hearing expert witnesses assembled by the staff; that such experts include representatives of both sides of the question, litigants involved in ad valorem law suits (with technical analysis following by staff). The purpose for this was to give the Committee a better understanding of the problems involved in litigation. Should it be required, this portion of the hearing would be continued Saturday morning.
- 3) That such experts' presentations would be limited to

fifteen minutes and would be requested to submit written versions of those presentations and other pertinent data and documents.

- 4) That on Saturday, the public's views be heard, with no screening and limitation as to number appearing except as time dictated. Those speaking would be limited to five-minute presentations, with the same request for written presentations. These

"public" speakers would register their names with the Committee Secretary so that the Chairman could "recognize" them.

There being no further discussion, the meeting was adjourned at approximately 5:05 p.m.

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Risley C. Triche, Chairman

## 2. Subcommittee on Ad Valorem Taxation

### MINUTES

Minutes of the first meeting of the Subcommittee on Ad Valorem Taxation of the Committee on Revenue, Finance, and Taxation of the Constitutional Convention

Held pursuant to notice mailed by the Secretary of the Convention on March 22, 1973  
Senate Chamber of the State Capitol,  
Baton Rouge, Louisiana  
Friday, March 30, 1973 at 10:00 a.m.

Presiding: Sen B. B. Rayburn, Chairman of the Revenue, Finance, and Taxation Committee and of the Subcommittee on Ad Valorem Taxation

#### Present

John A. Alario, Jr.  
Charles A. Badeaux  
Sen. James H. Brown, Jr.  
Walter J. Champagne, Jr.  
Lawrence Chehardy  
David Conroy  
Sen. J. D. DeBlieux  
Frank M. Edwards, Jr.  
John Clyde Fontenot  
Herman Lowe  
J. A. McDaniel  
Claude Mauberret, Jr.  
Pegram Mire  
Autley B. Newton  
Sen. Samuel B. Nunez, Jr.  
Arthur J. Planchard  
Sen. B. B. Rayburn  
Charles E. Roemer, III  
Earl J. Schmitt  
Charles Slay  
Risley C. Triche

#### Absent

Jasper K. Smith  
F. D. Winchester

of reclassifying property and opposition to one hundred percent valuation, in view of existing millages. Dr. Mauberret cited examples of school board and drainage districts in Orleans

-2-

Parish which, he feared, would not lower their millages. Then Dr. Mauberret questioned Mr. Chehardy on his downward revaluation of Jefferson assessments.

Pegram Mire reviewed the whole ad valorem tax situation including properties other than homes. A verbatim statement of his remarks is attached hereto and made a part of these minutes.

In his remarks to the subcommittee, Herman Lowe charged both the subcommittee and assessors with their leadership responsibilities in providing equal treatment to all taxpayers. A verbatim transcription of his remarks is attached hereto and made a part of these minutes.

In commenting on the increasing cost-of-living, Sen. Samuel B. Nunez, Jr., urged the subcommittee to strike a balance between equity and parity for taxpayers, warning that without those ingredients in the ad valorem provisions of the proposed constitution, the document "will be beaten".

Following a luncheon recess, the subcommittee reconvened to hear Devan Daggett, director of the Legislative Council, who graphically suggested that the subcommittee provide acceptable, workable machinery for tax reform in its constitutional provisions, and cautioned against confusing constitutional reform with tax reform. Due to time limitation Mr. Daggett suggested the convention would do well to achieve constitutional reform and let tax reform come at a later date. For tax reform Mr. Daggett suggested the creation of a committee or board which continuously would review legislation and make needed recommendations to the legislature.

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Following the roll call, there being a quorum present, the chairman introduced to the subcommittee Risley C. Triche, who traced the history of ad valorem taxation in the state. A verbatim transcription of his remarks is attached hereto and made a part of these minutes.

The second subcommittee member to speak about the existing ad valorem situation was Lawrence Chehardy who cautioned the members about one hundred percent assessment and actual cash valuation of property. A verbatim transcription of his remarks is attached hereto and made a part of these minutes.

Sen. J. D. DeBlieux further explained the meaning of the Bussie vs. Long decision in relation to the constitution. A verbatim transcription of his remarks is attached hereto and made a part of these minutes.

Dr. Claude Mauberret addressed his remarks to the points

Dr. Jan Duggar, director of Gulf South Research Institute, provided for the subcommittee a sketch of mechanics of tax reform in Kentucky, which by some is hailed as, "one of the better property assessment, review, and equalization procedures of all the states". This system, he said, illustrated the six required elements for successful, fair, and equal treatment for taxpayers. The ingredients included: the state agency which administers the property tax; requirement of that agency to provide annual ratio studies by parish or county throughout the state; requirement by that agency to provide all possible assistance to the local assessors in establishing uniform equalization; requirement of that agency to appraise and assess interdistrict property such as railroads, public utilities, pipelines, etc., to insure an effective and readily available appeals system to all property owners, and to provide assistance by state appraisers to the

local assessors in industrial and commercial property valuation and assessment. A system of checks and balances is built into such a system, Dr. Duggar said, and is, in most states administered by the Department of Revenue. His verbatim statement is attached hereto and made a part of these minutes.

Replying to Senator Brown's questions on how to establish such a property tax system, Dr. Duggar said to his knowledge very little of the law provisions concerning the system was included within Kentucky's constitution. The homestead exemption was, he said, a constitutional inclusion, but the rest were provided for in reform statutes.

Mr. Roemer asked how the system was independent and quasi-judicial, as Dr. Duggar had previously mentioned. Dr. Duggar replied that the appeals board was a second-level program, and

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that he was not sure whether the board was appointed or elected.

Dr. Mauberret asked what the effect of the tax system was on Kentucky's average tax revenue from property taxes. Was there an increase? Mr. Duggar said he had no figures on the average tax.

Mr. Dick Staggs, director of the Louisiana Department of Veterans Affairs, supported the continuance of the veterans' exemptions, saying that eight proposed constitutional amendments had won approval at the polls. In addition to providing a review of those amendments and the progress of veterans' exemptions in the state, Mr. Staggs urged that the time limitations on homestead exemptions for veterans be removed from the constitution. However, he did urge that if constitutional inclusion of the homestead exemption was provided, the veterans' exemption also be included. A copy of Mr. Staggs' statement as delivered is hereto attached and made a part of these minutes.

Rep. Frank Simoneaux, supporter of property tax reform, traced the history of property tax in Louisiana and outlined proposals to reform the system. Representative Simoneaux compared the experiences of several states with their recent equalization efforts and supplied for the subcommittee copies of Kentucky's "story" by J. E. Lockett of that state's department of revenue, attached hereto and made a part of these minutes. Mr. Simoneaux's statement as presented is also attached.

In a question and answer period, the members clarified points of information, discussed the various exemptions, and the

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levying power of local government.

Charles M. Smith, Jr., executive director of the Louisiana Department of Commerce and Industry, sketched the industrial tax picture as it appears currently in the state and reviewed the detailed data. A copy of his statement and of data presented are attached hereto and made a part of these minutes.

The members asked numerous questions for which Mr. Smith offered to supply written answers. This data included figures for the actual cost of industrial exemptions per year, the

actual cash value of industrial and other commercially exempt property in the state, the cost of inducing industry to locate in the state, and also asked Mr. Smith to supply alternatives to the industrial exemption for inducement of industry to Louisiana.

Henri Wolbrette, executive vice president of the Louisiana Chemical Association, supported the ad valorem exemption to "new manufacturing establishments", pointing out the value these industries have to the state. A verbatim statement of his presentation is attached hereto and made a part of these minutes.

In the discussion following Mr. Wolbrette's statement and in answer to a question by Senator Rayburn concerning where owners and stockholders of these companies live, Mr. Wolbrette conceded that many do live out of the state, but that those involved directly in the operation of those companies owned homes in Louisiana and on most property tax questions they voted as taxpayers, not especially in the industrial complex's best interest. In answer to Mr. Schmitt's question on the effect of equal-

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ization relating to business, Mr. Wolbrette predicted the millage rates would be lowered, and cited the Cities Service vs. Recreation Department of Calcasieu case regarding levying and need. He further reported that most of the industrial complexes in the state were located in a thirteen-parish district. And, on the question of industry location, Mr. Wolbrette differed with the estimate of six (\$6) billion as the cost of industrial exemptions. He said that the cost was not a "small figure", but that it was nowhere near that estimate.

In defending this position Mr. Wolbrette said that it was erroneous to say that revenue was lost by the state because of industrial inducement exemptions. He said that if the industry did not locate in the state, the state received no revenue from that source at all. He further reiterated the contributions of industry to Louisiana.

Senator Nunez then introduced guests from Equador to the group, which welcomed them with a standing salute.

G. O. McGuffee, assessor of Catahoula Parish and representative of the Louisiana Assessors' Association, introduced the other members of the association's legislative committee: Jesse Boudreaux of Terrebonne Parish, James Smith of Orleans, J. D. Addison of Tangipahoa Parish, and Charles Henington of Caddo Parish.

Mr. McGuffee pledged the full support of the Louisiana Assessors' Association to the subcommittee, its combined experience, and its cooperation.

Following the reading of the attached recommendations from

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the membership of the association, Mr. McGuffee answered questions from the members. Mr. Conroy asked for a further explanation of the effect of eliminating actual cash value, a standard valuation for property tax purposes.

Mr. McGuffee responded that the association had no present recommendation on what should be substituted.

In answering questions from the subcommittee concerning the relations of the public and the assessor, Mr. McGuffee said that he unofficially invited those in his area who had questions or complaints to write him, outlining the problems and action on those problems would be forthcoming. Mr. McGuffee further explained that all tax rolls are public record, and listed the locations in his parish where copies of the rolls are on file. He said that the public's right to examine the rolls is provided by law.

Mr. Newton asked for more elaboration on the association's recommendation to abolish multi-parish districts. Mr. McGuffee said that the only method the assessors could suggest was the "per unit" method.

Mr. Lowe asked that Mr. McGuffee return with more information and recommendations for specific mechanics for implementing those recommendations already made. Mr. McGuffee said that if it was the will of the assessors' association, he would be happy to comply with the request.

James Graugnard, president of the Louisiana Farm Bureau Federation, introduced the association's attorney, Louis Curet and Kenneth Kahao, a member of the bureau.

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Mr. Graugnard emphasized the value of farm property in Louisiana, pointing out that should such property be assessed hundred percent of actual value, many farmers would go out of business. Also, he said, it is especially important today, to both economy and ecology, to have "green land" because plants help convert carbon dioxide to oxygen.

It is these reasons, Mr. Curet urged, that justify special treatment in the form of separate assessments. In suggesting what Louisiana could do to remedy the emerging situation, Mr. Curet outlined methods used in other states, and the requirements of those measures. A copy of his statement's outline is attached hereto and made a part of these minutes. Mr. Curet asked that he be allowed to submit a brief to the subcommittee.

In the discussion to follow, Mr. Curet reiterated that specific recommendations and proposals would be included in the brief to come, but that the main purpose of his appearance was to apprise the subcommittee of the encroachment of subdivision development and shopping centers on the farm land and the problem of increased valuation on that farm land when considered in relation to surrounding commercial and residential property.

Mr. Kahao supported Mr. Curet's statement from the farmer's point of view.

Due to the lateness of the hour, the subcommittee, without objection, voted to recess until 9:00 a.m. Saturday, March 31st, when the remaining invited speakers would complete their presentations.

J. A. "Bob" Wilkes, justice of the peace, Jefferson Parish,

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represented what he called the "small people", small property owners. He reiterated the status of present equalization law and asked that industry pay its fair share of ad valorem property taxes. He reasoned that industry locates in Louisiana because of the abundance of raw materials, natural resources, and the good labor laws. In fact, Mr. Wilkes added, there should be revision of all tax laws, allowing the parishes to set millages to meet their needs locally. He further charged the subcommittee to draft provisions for the new constitution which fully protected all property owners and all citizens of Louisiana equally, and urged consideration of absolute homestead exemption. The last, he estimated, would cost only an estimated forty (\$40) million dollars a year above present homestead exemptions.

Kenneth DeJean of the attorney general's office was asked to address his remarks to the subjects of the homestead exemption, property tax relief fund, and revenue sharing.

Mr. DeJean outlined briefly the history of the homestead exemption and the property tax relief fund. He concluded that at present: (1) the homestead exemption applies to all ad valorem taxes except those of municipalities; (2) the property tax relief fund is nonexistent, and (3) local and parochial governments are dependent on the legislature for revenue sharing payments.

Mr. Slay asked if the property tax relief fund could be implemented. Mr. DeJean answered no, not under the system as it was administered according to the court ruling of Levy vs. Parker. In that regard, Senator Brown asked if the convention could correct the faults as the court in Levy vs. Parker determined existed in

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the property tax relief fund; Mr. DeJean responded that he could not see why not. He said he did not know how far the decision reached, but that it was understood to give the legislature broad discretionary powers in determining the amounts of payments returned to the local governments.

Mr. Alario asked Mr. DeJean the differences between the distribution of property tax relief funds and revenue sharing. Mr. DeJean said there was "not very much difference at all". Mr. Alario then asked if that meant revenue sharing was not legal. "Perhaps", Mr. DeJean answered.

Dr. Mauberret asked if the attorney general's office was planning to appeal the Bussie decision. Mr. DeJean answered that the appeal was now being prepared. According to Mr. DeJean, the constitutionality of the revenue sharing plan would rest upon the criteria determining the allocations to parishes. If, he explained, the allocations were distributed in the same manner as the Property Tax Relief Fund was distributed, then the revenue sharing fund would be unconstitutional.

On the other hand, Mr. DeJean continued, if the revenue sharing were based upon such criteria as population, etc., and the distributions were "equal", then revenue sharing would be constitutional.

Herman Moyse, Jr., representing the Louisiana Bankers Association, advocated flexibility throughout ad valorem taxation. He recommended that local governments be given more

latitude in determining millage rates, stated that the association believed in the homestead exemption but not in total home-

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stead exemption, and stated interest in a broad tax base with a certain amount of flexibility. He cautioned that if industrial and business taxes were raised excessively, those taxes could become a deterrent for new enterprises locating in the area. As an example of special ad valorem taxation, he cited the special tax on shareholders of banks which banks pay annually. A verbatim statement of Mr. Moyses's presentation is attached hereto and made a part of these minutes.

Questions from the subcommittee involved details of banking operations, taxation, and satisfaction with present banking laws on taxation. Mr. Moyses said there was no need for constitutional inclusion for banking; all is now regulated by statutes.

A. Ponder Jones, representing the Louisiana School Board Association, was introduced by John Ward, also of the association. In his remarks, Mr. Jones provided a brief survey of the status of school board finance as it is presently viewed by the association. A copy is attached hereto and made a part of these minutes.

Questions directed to Mr. Jones concerned the mechanics for change, for which the association has not yet prepared its recommendations. Other questions concerned specific tax information, which was supplied verbally.

James Smith, an assessor from New Orleans, appeared before the subcommittee speaking as a homeowner. Mr. Smith said that "actual cash value" is an important concept which often is not understood because this phrase often is given different meanings. He cited several views of actual cash value from the homeowner's standpoint: the cost of buying the land and house originally;

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the value he would personally realize if the property were sold today, that is equity plus appreciation, less cost of resale; and the amount of the mortgage, with interest and charges, over the thirty-five year period of that mortgage. Which, he asked, was the actual cash value?

Economically speaking, Mr. Smith went on, one would know that actual cash value was the cash value the property would bring, less encumbrances.

Senator DeBlieux quoted from pages eighty-four and eighty-five of the assessor's manual, describing the formula for determining actual cash value. Mr. Smith's response was that the subcommittee write into the new constitution, even to adopting that assessor's manual, the basis on which actual cash value is determined. It was pointed out that there was presently no law or requirement that assessors comply with the procedures as described or included in that assessor's manual. In reply to Senator Brown's request for a recommendation from Mr. Smith on what the actual cash value should consist of, Mr. Smith said he had no opinion.

Sen. Joseph Tiemann supported the total homestead exemption,

reasoning that it was discriminatory to industries, businesses, and apartment rentals, etc.

Senator Brown asked the chairman to clarify with the chairman of the constitutional Convention the basis of authority used by the chairman to say that a subcommittee could not meet. Senator Rayburn, after a brief discussion including other subcommittee members, said he would check with the chairmen of the

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convention.

Following the luncheon recess, Rapides Assessor Trent L. James spoke in favor of eliminating the ten-year industrial or manufacturing exemptions, and praised the Louisiana tax system, with which he has been working for fifty years.

David Dodenhoff appeared next, representing the Land and Royalty Owners of Louisiana, requesting that the association's president, Earl Willis, who was originally scheduled, be asked to appear again. At that time, Mr. Willis would submit a written statement and a list of recommendations for consideration by the subcommittee.

Mrs. Kate Brown, representing the League of Women Voters of Louisiana, read the league's outlook as to ad valorem taxes in this state. A statement is attached hereto and made a part of these minutes.

Felicia Kahn of the League of Women Voters of New Orleans stated that there was no reason for taxpayers to fear equalization of assessments, and that the change will provide progress in the area of ad valorem taxation. Ms. Kahn said that the New Orleans league felt that the only fair method of assessing property is at actual cash value determined by a professional method of appraisal, and equal administration throughout the state is necessary. Further, she said, the local authority should have the power to adjust millage in accordance with the needs of the community.

Ideally, Ms. Kahn pointed out, the constitution should contain no limitation on the taxing authority. Several delegates asked that New Orleans be made "a part of the state", and not

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be given special treatment over other areas of the state. Ms. Kahn asked, further, that the new constitution eliminate all exemptions granted in present constitution, and that Orleans citizens be treated as all other areas of the state. A copy of Ms. Kahn's statement is attached hereto and made a part of these minutes.

Sam Caverlee, representing the Sisters of Charity of the Incarnate Word of Louisiana, and Schumpert Memorial Hospital of Shreveport in particular, supported ad valorem exemptions for bona fide religiously owned and operated hospitals in Louisiana. He referred to the 1972 assessment by Caddo Parish of the Schumpert medical facility in Shreveport and the ensuing suit for recovery of those taxes.

Mr. Caverlee urged the subcommittee to "adopt suitable language to clearly set forth that institutions of this nature

should not be subject to ad valorem property taxes." A copy of his statement is attached hereto and made a part of these minutes.

The subcommittee questioned Mr. Caverlee about the operation and fee basis of the hospital.

Robert Roland, attorney for the Louisiana Hospital Association, also addressed his remarks to the support of exemptions for charitable and hospital institutions throughout the state. A statement of his presentation is attached hereto and made a part of these minutes.

Mr. Roland, in the discussion following, said that there was no philosophical reason for this exemption to be included in the new constitution, but that thirty-five other states felt

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otherwise, and included the exemption.

Mr. Roland also pointed out that while the hospital association represents ninety-eight percent of the hospitals in this state, the chain-operated proprietary hospitals are not members, because they have not asked to become members.

Dr. Charles MacMurdo, legislative chairman of the Baton Rouge Taxpayers Education Association, traced the experiences of the citizens of Minnesota with "market value" valuation to property and assessment practices. He urged that limits be placed on the taxing power of government by specific provisions in the constitution: and, Dr. MacMurdo and the association warned, if it were otherwise, the association would have to work for rejection of the constitution when it was presented to the people.

Mrs. W. E. Reese, research chairman of the Taxpayer's Education Association of Baton Rouge, Louisiana, said that the association supported total exemptions for homesteads and asked that industry carry its load in the tax. The taxpayer's association, she said, would continue to oppose one hundred percent assessment on homes.

Jim Ware, chairman of the Better Baton Rouge Committee, said that the history of this parish's taxes does not justify the statement that millage rates will be reduced under the one hundred percent assessment.

Mr. Ware asked that the subcommittee write into the new constitution a provision providing that if there is a court-ordered reassessment of property, maximum millage rate shall ipso

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facto be reduced so that the total ad valorem tax income to any taxing authority shall not be increased by any reassessment. A letter recommending the language to be used in the suggested proposed provision, from Mr. Ware and the association, is attached hereto and made a part of these minutes.

Mrs. Trudy Black, a real estate broker and appraiser in New Orleans, speaking as a private citizen, asked where the determination of "actual cash value" was to be made. Mrs. Black

suggested that the existing sales price, or that price which the homeowner paid, be used as the valuation, until it is sold again. She referred to the Texas law that states no home can be sold for nonpayment of property taxes.

Senator DeBlieux asked if such a plan would be equitable to those young people now purchasing homes who would pay more in taxes than their older neighbors. In response, Mrs. Black said that the young people were much better educated, and had a much better future than the older people. So, she concluded, the young people would be more able to pay. She said that those with fixed incomes would be hurt.

Mrs. Black said, if she were to make the final decision, she would not tax homes.

The subcommittee members voiced their views on this subject in the discussion which followed.

A motion was made by Mr. Lowe that the meetings on March 13 and March 14, 1973 would be held in New Orleans. The motion carried.

Mr. Triche reported that the Subcommittee on Revenues other than Property Taxes had met the previous Tuesday, March 27, 1973

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to hear heads of the various state agencies. He announced that the subcommittee planned to continue this at its next meeting, Thursday, April 5, 1973 at 9:00 a.m.

The minutes from the previous committee meeting were approved without objection.

The staff was asked to arrange for a meeting site in New Orleans, and to arrange an agenda including the remaining invited guests and public hearings.

Mr. Newton moved that the Friday, April 13, 1973 meeting be reserved for completion of hearings by the subcommittee on ad valorem taxation, and that Saturday, April 14, be used for subcommittee meetings in the morning and discussion by the committee. The motion carried without objection.

Following discussion of possible meeting sites and methods of gathering additional data, the meeting was adjourned.

  
Sen. E. B. Rayburn, Chairman

  
Sheriff Frank M. Edwards, Jr., vice-chairman

Charles E. Roemer, III Secretary

**NOTES**

The Louisiana Assessors' Association recommendations and the statements of Mrs. Kate Brown and Ms. Felicia Kahn cited in the Minutes as being attached are not found in the Committee files.

Everybody, I'm sure, is familiar with the Levy versus Parker case which struck down the Property Tax Relief Fund, and caused the Legislature to come into Special Session last year to do something about it.

That sounded a death knell and gave us some suspicions of a death rattle that the property tax system that we were presently levying and collecting property taxes in the State.

The court in the Levy case, as you recall, said that the Property Tax Relief Fund could no longer be distributed in the fashion in which it was being distributed, because of unfair discrimination against Orleans Parish and some other parishes. It was unfair against Orleans because it was a limitation of millage which allowed Orleans only to participate in the Property Tax Relief Fund to the extent of forty mills. It was unfair to Orleans because it could create special taxing districts and get other advantages from the Property Tax Relief Fund that Orleans Parish couldn't get. And thirdly, because the Property Tax Relief Fund was being distributed back to the parishes on the basis of assessments against homesteads.

The court said assessments of property and levying taxes on assessments based on any value that excludes or is

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discriminatory is in violation of the Fourteenth Amendment. It struck down the Property Tax Relief Fund.

We took some measures to eliminate the Property Tax Relief Fund. The public voted on those constitutional amendments. The Legislature set up a special appropriation for a revenue sharing program, and sidestepped the Levy vs. Parker case. And what we are now about is to distribute the revenues to the parishes other than under the old defective Property Tax Relief Fund.

At that time, you're familiar with the laws that were passed centering on such things.

But, during the time all of that was going on, those of us in the Legislature and on the Governor's Property Tax Relief Study Committee began to look seriously again at the dormant case of Bussie against Long. And after looking at that thing and studying the case and the prodigy that brought it up to the posture it was in when the Legislature met last year, everybody concluded that Judge Doherty's decision that was handed down a couple of weeks ago would be forthcoming. Judge Doherty didn't startle anybody and he didn't catch anybody by surprise.

Prior to that time, the authorities were always able to sidestep complaints that the Property Tax system in the State was being administered unconstitutionally. And we were able to sidestep those complaints with procedural dodges. A case came out of Orleans where the city of Orleans brought suit a-

gainst the assessor to do something in Orleans. And the court

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sidestepped it and said this is not the procedure, the court can't grant you relief.

A case came out of Shreveport, Dixie versus Cornell, where taxpayers attempted to mandamus the Tax Committee to solve the problem. The court sidestepped it again and said that this is not the proper place for relief. The court can't grant you any relief, because the law says if you're a complaining taxpayer, you've got to go to the Tax Committee, you've got to exhaust all remedies, before the Tax Commission in any event, the law which delegates certain duties to the Tax Commission and authorizes the Tax Commission to exercise discretion, we're not going to order any public official to exercise discretion in a particular matter, always able to sidestep the court addressing itself to the problem of unconstitutional administration in property taxing.

But in Bussie against Long, we had an extreme departure. In that case, the State Supreme Court said that a taxpayer could bring a class action suit against the Tax Commission, and he didn't have to exhaust any administrative remedies, and that the court would order the Tax Commission to exercise its function relegated to it by law which, of course, found that the Tax Commission was not, as a matter of fact, following the law in exercising the duties that the Legislature and the Constitution of the State charged it with performing.

So, prior to all this time, the court used to, I guess, get around it by saying that in political matters or problems

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of this nature, we're not going to get involved.

But then, in line with the trend of decisions in other states, our State Supreme Court finally decided to have at it. And, in effect, they now entertain jurisdiction and, of course, as a result of that we're just getting started on our business.

The startling thing about Judge Doherty's decision is not really any mention of any state constitutional provision requiring assessment of taxes at one hundred percent of value. Apparently, he based his decision on the Fourteenth Amendment of the federal constitution requiring equal protection and due process, and the statutory provisions which are still on the books requiring the Tax Commission to assess at one hundred percent of value, supervise the procedures performed by the local parish assessors and to see that the property is actually on rolls at a hundred percent of value.

Now, there's not a thing we can do about the federal constitution. I think we all ought to recognize that the Fourteenth Amendment is with us. It's been with us since the

middle of the last century, and it's going to stay apparently for quite some time. Now, what does the equal protection and due process clause of the Fourteenth Amendment mean in the area of Property Taxes? In the thumbnail, I think it simply means this, that all people, property taxpayers, with any reasonable class, must be treated alike and without discrimination. That doesn't mean that everyone has to pay the

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same tax. It doesn't mean that we can't reasonably classify property and that certain reasonable classification can't be stacked differently. It doesn't mean that. It means that whatever classifications the Legislature or the Constitution or the people of this State decide to adopt, those classifications have to be reasonable and non-discriminatory, and that the persons within those classifications have to be treated alike and without discrimination. Now, we can't avoid that. As a practical matter, we're not going to amend the federal constitution.

That portion of the decision of Judge Doherty and other decisions that we worry about which speak about the Fourteenth Amendment should concern us and we should address ourselves to them.

As to what we can do in the state constitution and in the state statutes, that's another story. There's something we can do there, and I think before we decide what we can do and what we should do, we first ought to review what the laws on the books were before the time Bussie versus Long was filed, and what the laws on the books are now that we have a decision on Bussie against Long, and then make some decision as to what direction we can go, because, I think you and I all agree that what has happened in some other states, (we've been made aware of that by some circulars which have been circulated by the courtesy of the assessor from Jefferson Parish, Mr. Chehardy), what has happened in other states will not happen in Louisiana.

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Drastically and traumatically increased taxes, the devastating effect it has had in other states that has caused people to lose their homes is not going to happen in Louisiana. The Constitutional Convention is not going to allow it to happen, the Legislature is not going to allow it to happen, the people of this State are not going to allow it to happen, so let's start off with that premise. It's not going to happen here.

How do we avoid it?

Let's see what the law was like, in just a brief review, when Bussie against Long was filed.

Article X, Section 1 of the Constitution allows the classification of property, but it says that classification in taxing shall be uniform within that class. Taxed property

shall not be assessed for higher than its actual cash value, and valuation for State purposes shall be the same on the local level but local governments are allowed to fix the percentage of value. That's Article X, Section 1 apparently allowing reasonable classifications of property.

Article X, Section 12 Real Estate shall be listed at actual cash value. Now that's roughly what the Constitution said when Bussie against Long was filed.

Now, why it was ever put in the Constitution, heaven only knows; we weren't here in 1921. But someone apparently meant that property should be put on the rolls at a hundred percent of value. That's what the Constitution said. Real Estate shall be listed at actual cash value.

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Article XII, Section 5 School Mill Tax. That's in the Constitution now and it was then. Five mill school tax. And it authorizes maintenance millage by schools for operation of schools. And it says very clearly, in Article IV, Section 15, I think it is, says very clearly that school taxes shall be levied and collected on one hundred percent of actual cash value. That's in the state constitution, that's not the federal constitution. It's not something based in a strange court. It's in the state constitution.

Article X, Section 5 grants taxing allowance for delegation of taxing authority to local governments. It provides for local governments, and the exercise of their taxing authority shall be bound by the provisions of the constitution.

So, what do we have in the Bussie versus Long ruling?

I think the clear constitutional mandate in the state constitution, that property be listed on the assessment rolls at one hundred percent of value. I can't read anything else into it.

The statute provided for five and three-quarters mills state property tax collected state wide. It also provided this: that the Tax Commission will fix a percentage of value upon which that one-hundred percent assessment or tax would be levied. To allow the Tax Assessor or the Tax Commission to charge existing property on the rolls at a hundred percent of value, the Tax Commission put a five and three-quarter mill tax which fixed a uniform state percentage of value on which tax could be collected.

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Illustration: All property would be on the rolls at a hundred percent of value. The Legislature would make appropriations as to how much money it wanted to yield from the five and three-quarter mill tax or spend from the five and three-quarter mill tax. Then the Tax Commission was supposed to fix the percentage of that value of a hundred percent of value which would yield the amount of money appropriated by the Legislature. That's how the state property tax system was supposed to be administered.

There was a further provision requiring that for local tax purposes, after the property was listed on the rolls at a hundred percent of value, the local government not the school boards, now, because remember they're tied in with a hundred percent assessments in Article XII the police juries, municipalities and others, were to fix a percentage of value upon which their millage would be exacted, and that percentage of value was not allowed to be under twenty-five percent. There was a twenty-five percent minimum.

In addition to that there was a statutory requirement which required, in very explicit language and terms, an equalization by the Tax Commission annually. Annually, the assessors were to file with the Tax Commission extracts of the rolls and the extracts of the rolls were to list classes of property: unimproved rural lots, unimproved urban lots, rural farm acreage, rural timber acreage, and so forth. The assessors were to file these extracts with the Tax Commission. The Tax Commission was charged by this statute with determining an average value of each class, and then after they determined the average value to apply the factor to each parish to

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make sure that the assessments were equalized. Apparently, what that thing meant to do was to insure that farmland in Assumption Parish would be valued on the rolls at the same assessment value as farmland in Caddo Parish, and that an unimproved urban lot in Napoleonville would be on the rolls at the same value as an unimproved urban lot in downtown New Orleans. Ridiculous.

That's the way the law was when Bussie against Long was filed. As a result of the threat in Bussie against Long, the Legislature took some steps and the people took some steps to change some of the provisions in the law and the Constitution.

Some of the curative measures we repealed Article X, Section 12, which said generally that all property shall be listed on the tax rolls at a hundred percent of cash value and filed with the Tax Commission.

We repealed the state wide property tax. We repealed that provision of the law requiring the Tax Commission to annually equalize. And we amended Title 47, Section 1989 which deleted the authority of the Tax Commission to fix the state wide percentage of value, and allowed the local governments to fix a percentage of value on the assessments that their millage would be levied on, and were moved the twenty-five minimum requirement.

There were all sorts of other measures taken that were defeated by people at the polls in election in November. One measure was an amendment to Article X, Section 1 which provided that the Tax Commission would fix the percentage of value for state tax purposes, and that would be applied locally for state tax purposes. Since the repeal of the State Property Tax, that provision is

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probably obsolete and the defeat was immaterial.

But there was another amendment that was submitted to the voters at the election in November that stated that in the event of any state wide equalization as a result of court orders, the millages would be automatically and forcibly rolled back to guarantee that property taxes would yield only what was collected in the preceeding year. For some unknown and unexplained reason, the public turned that one down.

So where are we right now?

Conclusion.

What posture is the law in now?

I don't think Judge Doherty's decision said, and I don't think anybody can challenge the constitutionality of the laws of the State as they're relating to property taxes as they are presently on the books. There's nothing which violates the due process and equal protection clause in the Fourteenth Amendment as the State Constitution and the state statute are presently written.

Where does that leave us?

There is a statutory requirement that property be listed on the rolls at a hundred percent of value. There is a provision in Title 47 of the Revised Statutes which says the assessor shall list at a hundred percent, and it's subject to review by the Tax Committee.

That's the law in Louisiana today.

There is, however, - there is no longer any requirement of equalization as the law spoke of it before the last session. There

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is no longer any requirement that unimproved vacant lots, urban lots in Assumption Parish be on the rolls at the same value as unimproved lots in Caddo Parish. That's been removed.

The minimum requirement of twenty-five percent of value by local government has been removed. The authority of the Tax Commission to fix a state wide percentage of value upon which property in the State millage shall be assessed has been removed. And, of course, the State Property Tax has been removed.

Where does that leave us today?

I think the law presently requires tax assessors to assess at a hundred percent of value; I think it presently requires the Tax Commission to see that the properties are listed on the rolls at a hundred percent of value; I think it is a requirement that police juries and local government authorities to fix a percentage of value on that hundred percent upon which their millages are to be levied. And it also allows multi-parish districts to fix their percentage of value upon their millages which are being levied throughout the multi-parish districts.

There's nothing unconstitutional about that.

It presents a number of political problems, however.

Illustration: Last year in Assumption Parish, by somebody's figures and lets' assume they're correct, property was on the rolls at twenty-three percent of value by the grace of our assessor, instead of a hundred percent of value.

The police jury never adopted a percentage of value, so

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theoretically millage was levied on a hundred percent. And since we were on the rolls at twenty-three percent, the millage was levied at twenty-three percent. If, under the edict of the courts and the direction of the Tax Commission as a result of compulsions of the court, our assesment in assumption goes to a hundred percent of value, the door is open now and the next step to be taken is for the Assumption Parish Police Jury to convene itself and adopt a percentage of value on which millage shall be levied at twenty-three percent. By simple arithmetic, Assumption Parish Police Jury would collect in dollars and cents the identical amount collected the prior year. There would be no traumatic an inordinate increase in property taxes.

Well, what's the political problem there?

The political problem there is: Suppose the Assumption Parish Police Jury decides it needs a forty percent increase in revenue, because last year it couldn't perform some of the functions it wanted to, and instead of adopting twenty-three percent, it went about forty percent to thirty-something percent, or whatever it is. Then the people had, by simple resolution of the local police jury, a forty percent increase in tax. That's not a legal problem, gentlemen. That's a political problem, I'll tell you that.

And we have to also remember that the State Constitution presently requires of the school board that it collect its five mill compulsory tax and its general alimony taxes are a hundred percent of value.

Now what does that mean?

If, in the parish where we are, at twenty-three percent by the grace of our assessor, and we're forced to go to a

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hundred percent, and the school board has to levy or collect some ten mills for general alimony tax at a hundred percent of value, then the taxes are going to be quadrupled. So then you do have an inordinate, traumatic, unreasonable increase in taxes. I think we ought to address ourselves to that.

And the only way we can address ourselves to that is probably by constitutional amendment or by revision of the constitution by this convention.

There are some problems about equal protection and due process in the Fourteenth Amendment that we ought to talk about, because

I think the state constitution allows us ample opportunity to classify property. And I think we can change Article XII of the constitution requiring that school taxes be levied at a hundred percent of value, and I think we have the tools at our disposal and the means to work with now to change all the words that we presently have about increase - traumatic - and inordinate increase in tax. We can provide for classifications of property; we can adopt a percentage of value; we can get away in this convention from a hundred percent valuation on the tax rolls. And we can get away from the possibility of abuse of authority by local police juries, and local municipalities, and taxing authorities. We can do all of that, I think, in this convention, and with some simple revision of the statute after this constitution is adopted.

But, whatever we do, we have to be mindful that the classifications must be reasonable, that the proper authority must fix the percentage of value, and that taxes cannot be assessed arbitrarily and in discriminatory manner. We can't do anything about

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that. The federal government's going to make us do that.

And then again, that's what we want to do, isn't it? Don't we want people to pay taxes on a non-discriminatory basis? Don't we want people in a similar class to be treated fairly and similarly. That's the proper direction, I think, and we ought to move in it.

(tape failure) and because I've heard it so often and I've heard it as suggestions from our tax assessors. But the simple answer on the problem is classification of property and allowing the taxing assessors to fix the percentage of value. Politically, that's probably the easiest solution, because most of us trust our tax assessors and most publicly state their trust of the tax assessor, because our experience with the tax assessor in the past has not been that they've overburdened us with property taxes. Any complaints that I've ever heard is that they've been too low, so that most of us have faith and trust in them. And that's politically and probably the easiest solution.

But I'm not only my personal opinion, a lot of us are not satisfied that we can do that and still satisfy a number of requirements of the federal constitution. That was done in Alabama and let me just review this for a minute. And it was mentioned by Judge Doherty in his decision. In Alabama, to sidestep the problem, the legislature said assessors shall fix the percentage of value not to exceed twenty-five percent. The court struck (tape failure and tape change) choice as to what his tax ought to be, and shouldn't

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be and couldn't be left to the whim of some official who didn't have taxing authority. Secondly, the due procesa delegatae were to avoid the vagueness choice, and secondly it was an improper delegation of taxing authority. Said it couldn't be done that way.

Now, let's see how that applies here in Louisiana.

We have Article X, Section 5 of the constitution which delegatae local taxing authority not to tax assessors, but to the local government, police juries, school boards and what not.

We'd have to first change Article X, Section 5 if we're going to eliminate the requirement that the police juries and the school boards fix the percentage of value upon which the taxes - on which the millages could be levied.

Secondly, if we're going to delegate this authority to tax assessors, the federal courts are probably going to require that the statute be so explicit in its terms that the assessors be required to use some objective standard that other people can determine, and not something solely within the rapport of his own bosom. We must then be able to give the assessor in the statute some objective standard that he must apply to all classes of property, so that people in the class can determine for themselves and other people can determine if the assessment suits the property. And we ought to talk about that and try to resolve that before we go off in the direction of simply turning the matter over to the assessor to (garbled) I hope I've made some contribution.

I. Levy v. Parker and Bussie v. Long

- Levy case struck down P.T.R. Fund.
- 1. Limitation of millage in Orleans.
- 2. Orleans couldn't create special districts.
- 3. Property Tax on millage x any assessment basis chosen was unconstitutional.

Bussie v. Long - upheld right of tax payer to bring class action without exhausting adm. remedy and allowed mandamus -

Saw results of latest B. v. Long coming -

Posture of Law before Special Session of Legislature.

P.T.R. Fund in existence eliminated -

a) Repeal State Ad Valorem Taxes by adopted act X-A-(1-5)

Prior Law -

Art. X. Sect. 1 - Classification, but uniform.  
No higher than actual cash.  
Valuation for State purposes, same as for local, but local may fix % of value.

Art. X, Sect. 12 - Real Est shall be listed at actual cash value.

Art. XII, Sect. 15 - 5 mill school tax, plus maintenance taxes for schools levied and collected at 100% -

Art. X, Sect. 5 - Grant of taxing powers to local gov., subject to limitations - in const. and as granted by Legislature.

RS 47:1701 - 5 3/4 mill tax -

47:1702 - Defines "actual cash value" means valuation property is assessed for taxation, after assessing authority has considered every element of value -- sales price, free of encumbrances evidentiary only - and shall be considered with other factors.

47:1957 - Submission and assessment by Tax Commission and property assessed at actual cash value.

"All property subj. to taxation shall be listed and assessed at actual cash value and the actual cash value of all prop. fixed by Tax Comm. shall be cash value for all purposes."

47:1988 - Equalization each year -

Read -

47:1989 - Tax Commission fix % of value. local at not less than 25% -

Conclusion -

Triche Notes  
March 30, 1973

- 1) State Tax-
- 2) Local Tax -
- 3) 100% of actual cash value - const. & statute.
- 4) Suspension by Tax Comm.
- 5) % of value by Tax Comm. for State Tax and
- 6) % of value by local Gov. for local Tax at not less than 25% -
- 7) School Tax at 100% -
- 8) Annual equalization - read -

Curative measures taken already.

- 1. Repealed Art. X, Sect. 12, General Const. requirement of 100% actual cash value - (not statutes)
- 2. Repealed State property tax -
- 3. Repealed RS 47:1988 - annual equalization.
- 4. Amended RS 47:1989 - deleting Tax Comm. authority for fixing % of value and giving local Gov. authority to fix % - deleted 25% minimum.

Defeated measures -

- 1) Change Art. X, Sect. 1, providing State Valuation and Classification for State purposes to be used for local purposes - (probably immaterial with repeal of 5 3/4 mill State Tax)

- 2) Const. Amend. to Art. X, requiring roll back of millage in any State-wide program -

Conclusion - now -

No State Tax -

- 1. 100% actual cash value on rolls -

In closing, I'd like to say that first, if there is discriminatory levy of property taxes, it's no longer for the benefit of the State Treasury. The state's gotten out of that. So it's not the State Treasury levying discriminatory taxes. That's done on a local basis. The tools are available for us now by provision of the constitution to satisfy any requirements that are abnoxious to the decision requiring listing property on the rolls at a hundred percent of value.

But whatever we do, we have to satisfy the federal constitution and the Fourteenth Amendment, and we have to worry about proper delegation of authority.

And, in closing, I'd like to say that I think all of us agree that regardless of the decision we make, regardless of the direction we move in, there will not be any traumatic, dramatic increase in property taxes.

Thank you.

2. Local and multi parish Gov. - can roll back - % of value to prior years - revenues - example
3. No equalization on annual basis -
4. State Tax at 100%.

Any solution requires looking at -  
equal protection and due process 14th amend problems -

Const. of State allow classification and assessment on local basis, except school tax - must be at actual value -

B. v. Long found Tax Comm. requirement to assess only statutory - could sterilize Tax Commission.

Wessinger v. Boswell raised another problem of unlawful Delegation to Assessors and Void for Vagueness problems of Due Process - Must be viewed in light of X,5 which delegates Taxing Power to local Gov. -

Objective Standard

Local Tax

Proper Delegation

Verbatim Statement of Lawrence Chehardy  
To: Subcommittee on Ad Valorem Taxation  
March 30, 1973

We have fifteen minutes, and in fifteen minutes you can barely sketch an outline on which to start talking about this subject. I believe some of the important matters that should be brought out.

The first - Is this horror of Judge Doherty in the Victor Bussie suit to bring equalization upon Louisiana the first attempt to force equalization upon Louisiana? And the answer is no. Actually, I believe, Representative Triche has given a good outline of the Bussie suit to bring one hundred percent assessment to Louisiana. So, I won't dwell on that at length. But what I want you who are faced with the decision of studying the Constitutional provisions pertaining to Property Taxes, I want you to understand that this is not something new. Even prior to this suit, there was an order put out in Louisiana based on work performed during 1964 and 1965, before I was an assessor actually, and as a result of which work by the study committee, equalization was ordered in the State of Louisiana.

Now, every assessor was furnished (the day that I took my oath as an assessor almost eight years ago, this was on my desk ready to be put into effect, and this started my fight, and the assessors started their fight as a group and it's been a unanimous fight since that time to prevent this plan, this very vicious plan of taxation, from falling upon the backs of the people. This is to give you some concept of the regimentation that they would put the property-owner through. And when I tell you that these books outline) how to measure every inch of wood in a man's home, how to count the nails, how to worry about the type of slate being used, the type of tile on the floors. Class A residence, Class B, Class C, Class D, it's to the point of ridiculousness. It's an ideal situation for a professional appraisal staff to make a fortune off of a community, probably to make a couple of million dollars off of Louisiana alone if they would be hired to re-value all the property.

Then they have another book on commercial properties, telling you how to value such things as a barber pole, how to value a shaving mug that a barber uses, or his chair. In other words, there is not a dollar's property belonging to the small business man, or a dollar of property belonging to a homeowner that they have not put at the disposal of the spending of government. Now, these two volumes will be at my desk for you to peruse, if you care to.

The upshoot of it was that as soon as the realism hit home, there was a tremendous surge of resistance by the assessors and by

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other elected officials and the matter was brought to rest.

Actually, this would - I would say that it was recalled, the order, to equalization, was recalled in probably February of 1956 and then things fell back as they were.

This did not stop the drive of Mr. Bussie in his zeal and desire to bring equalization or one hundred percent assessment to the people of Louisiana. So, in this regard, he filed the suit that Mr. Triche referred to.

Now, we have the decision. But, prior to that decision becoming a judgment, steps were taken.

And, just briefly, and again repeating what has already been said but maybe driving home the importance of it, the Constitutional mandate for one hundred percent assessment was removed. (And I've always thought of the Constitution as the best expression of the people's will.) The judge made very much over the fact it was removed by the fact that he searched through the books for the remaining phrases, the remaining places where there was a phrase such as "at actual cash value" on which to base this plan asked for by Victor Bussie.

Now, we also not only removed it as a constitutional reform, in other words the requirement of one hundred percent assessment; the requirement for a twenty-five percent minimum tax was removed. The State got out of the tax business. The will of the people spoken through the Legislature, spoken through the amendments as approved by the people, all indicated one thing and made clear the will of the people, not what you and I want. This went through Constitutional amendments, this went through the Legislature, and the net result was "We do not want one hundred percent assessment in Louisiana".

So, none the less, in this judgment that comes along and the judge himself says that even though there was an attempt in the Legislature, in effect he says, to remove this requirement for one hundred assessment, we do still have these other areas and he lists fourteen of them.

Well, at the fiscal session that means fourteen more amendments that our good Legislature can take care of to remove that insidious requirement from our Constitution.

Now, I want to bring in the federal Constitution guarantee, the constitutional guarantee. It's a very simple thing. There's not an assessor that doesn't want it; I want it; every other assessor wants it, and every good thinking human being wants to be treated equally, and wants to treat everyone else equally.

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Equalization sounds like a good word. Sounds nice; it's like mother-love. But equalization is a rattlesnake. It's the most vicious plan ever devised by any tax expert.

Why do I say this? (Because in a society, and not only in Louisiana but throughout America, where traditionally assessments have been not been put at true value, at actual value, and where traditionally assessments have been gauged to the tax rate in the community)

In Louisiana, we have sixty-four parishes with sixty-four different tax rates. Something has to be the stopgap, the true balance agent. And the true balance agent has been assessments. Assessments have been based on the amount of millage or tax rate in a community. Thus the discrepancy in tax rates.

Now, even with this discrepancy in assessments, if you did not have different assessments from parish to parish, you would have the worst inequity of all, Cause you would have a parish levying someone at, say, fifty percent of value, and they had a tax rate of only twenty-five dollars a thousand, so you could see what that would mean with one tax the taxpayer would pay.

You have another situation where the taxpayer is assessed at ten percent, or at twenty-five percent but would pay, say, a hundred dollars a thousand. He'd be paying four times as much taxes.

So, the way that was corrected so there was no common denominator whereby one parish could say, one citizen in the parish could say he was paying more than one in another parish, they removed the State out of the property tax business.

We still have other areas to correct. We have to clear up the problem of districts, multi-parish districts, and that can be cleared by legislation. The answer is not putting the people's property on the rolls at actual cash value.

Then you've got the premise that our society is not based on everyone's being put on the roll, coming from the inception of our country. It's just never been done. There's no way that it has ever been offered without a horrible result.

I've sent many of you all, and practically everyone should have received, copies of the historical problems, what has resulted in the past two years alone when any attempt has been made to blanket taxes on at one hundred percent of value.

Now, the effect of this decision as it stands today, and this

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is important. What this decision means is that if this problem is implemented and not corrected as we can correct it, is not

corrected it means that every man's property, every business will go on the rolls at one hundred percent of value. The first bad effect of it, and this important what I'm going to tell you now, it wipes out your homestead exemption, a Homestead Exemption which has just been voted upon by the people, renewed by the people in a more vigorous form, a more positive form than it's ever been before.

We now stand on the threshold of loss of the Homestead Exemption for the people of Louisiana. That's how important this decision is.

Now, let me tell you why, in case you don't understand, why we'll lose the Homestead Exemption.

If we list a man's home, let's say the home costs \$40,000, and you put that home on the assessment rolls at actual cash value of \$40,000. Under this decision your \$2,000 homestead will come off that \$40,000. It doesn't matter if you take it off the top or the bottom. The community needs X number of dollars to operate. Everything will be based on need. So let's say the community needs one million dollars to operate. You have ten million dollars of property, all of it subject to Homestead Exemption.

So, before this decision, a man gets his Homestead Exemption; he's guaranteed so much of a Homestead Exemption. You took your percentage of the \$40,000, at ten percent for parish, that's four thousand. You took off the \$2,000 on the assessed valuation and it leaves the tax as the remainder.

Under this situation, that no longer exists. If that whole community where the spending arm needs a million dollars to ten million dollars, let's say that two million of it will be the Homestead Exemption. So, you say "all right, you've got the \$2000 Homestead Exemption." The community needs a million. Before, when you add the whole ten million available for taxation, they would levy, say, a hundred mills, a hundred dollars per thousand, and that would give them the million they need to run the community.

So now, when you tell the homeowners, "all right, well, we'll take off \$2000 for the Homestead Exemption," all they do then is still raise that million by levying one hundred and twelve and a half mills against eight million dollars. In other words, we have virtually destroyed the Homestead Exemption, actually perhaps causing a greater amount of taxes to be paid.

And that, to me, is the most insidious effect of this judgment.

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Now, so, how do we correct this? First thing, we have a situation where we have the fiscal session of the Legislature coming upon us soon, and they'll be putting amendments in to correct fourteen or fifteen statutes, and there are other things...

The other remedial step we can take is a requirement that all assessors within your district assess every class of property equally, which I'm sure they do. I don't think any assessors one percentage in one case and another percentage in another case. But nonetheless, we can mandate through the Legislature, through the Constitutional Convention, a requirement of assessors to assess all property within a class at the same percent. That is all the Constitution requires.

The Constitution requires that equals within the same situation be treated equal. And that you can give to the public without any requirement that property be put on at actual cash value.

Now, as far as the Constitutional Convention, I believe our path is clear. We have to prohibit any assessor from assessing any assessment at actual cash value. We have to make a positive statement against one hundred percent assessment.

I'm not going into detail on communities; I've done that with most of you before, and the material that I have sent to you clearly points out that no matter how many times they promise the people that millage will fall back, it's never fallen back sufficient to offset the harm it has caused.

On the millage rollback, which is the pit-glance of those promoting one hundred percent assessment, this is just not the case. If you read carefully today those who are telling you not to be worried about this cause nothing is going to happen to you, they tell you that the community is only going to take what money they need, and they will only levy enough money to suit the desire of the community.

But what you've got to ask yourself is, do any of you live in a community where they've reached a saturation point on need? Do you know what the need of your community is? For example, what school board right now doesn't need more money? What police jury, what parish council, what branch of government whether local or federal isn't asking for more and more money? In other words, what we're doing, if we don't take the remedial steps to correct the effects of this judgment is that we're opening a man's pocketbook, opening and putting all his wealth on the line, all of his property and wealth, and telling those that would spend

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and those that handle the spending end of government, "spend what you need".

Positively, your taxes would be increased, at least by the amount of the Homestead Exemption. The amount of millage to be lowered I say will be negligible, at best. And, if anything, the result will be just as it has been in every other state, an immediate doubling of taxes from around the state, in the parishes, with the constant increase every year.

Another byproduct of this plan is the reappraisal of property every year. Now, how can we conceivably sit back and let a plan come into effect that a man looks at a home, knowing that next year new appraisers will be out, new appraisers will set a new value and what he has budgeted for his retirement pay, what he has budgeted as a young husband, as a working man: No matter what, he's budgeted a certain amount of money, and every year he's got to look forward to an increase from fifty to a hundred per cent. It's always been that way in the first year.

The amount of remedial legislation to correct this is not good enough. There are several pieces of legislation put into the convention, some were put into the fiscal session. But the most important thing at this time for us to recognize is that we do have a problem and that we do have to correct it.

At this time, I'm not going to go any deeper into the subject. I have seen nothing but the terrible situation for all of us if we do not correct it. And I trust that this convention will come out its session with a good revenue proposal.

VERBATIM TRANSCRIPTION OF ADDRESS BY SENATOR J. D. DEBLIEUX  
TO THE SUBCOMMITTEE ON AD VALOREM TAXATION March 30, 1973

Mr. Chairman, gentlemen of the committee, others present. I don't think it's going to take me too long to make the few, brief remarks I have to make with reference to taxes and equalization.

I might say that Mr. Chehardy spoke to me about, I don't know why it would make that much difference, but he said that he had to leave early and he wanted me to speak first. I might suggest it to him that since I'm not going to have too much to say, he might want to leave now.

The first thing I'd like to tell you, the committee, is that there is no such thing in the law as one hundred percent assessment, except in one instance - only one instance does the law say anything about one hundred percent assessment. It uses the words actual cash value. Now, actual cash value can have several meanings. Most of the time, I know Mr. Chehardy and those who have been taking his side, have always tried to confuse the public by saying actual cash value is one hundred percent of value. I'd like to state right now that there is a difference in assessment of property. The valuation is what the property is actually worth or listed at on the assessment rolls. That is what the law says and what it should say. The assessment is the percentage of that valuation which would take to apply to the millage.

Now, at the present time, the assessors have been using valuation that they brought into arbitrary select, and then they apply the assessment to one hundred percent of that valuation, apply the millage to that assessment. That is contrary to the law, and that is what the law wanted to do.

There is nothing in Judge Doherty's decision that said that property had to be listed and assessed, now there, I used the word assessed, at one hundred percent of its value or at its actual cash value.

I'd like to call your attention to this opinion of which I think all the members have received a copy. On page four of that opinion, in that portion of the paragraph at the beginning of the page, and making reference to Section 1989 which was amended by the past session of the Legislature, he made this statement:

"However, as amended, the local authorities may fix assessments as they please for local purposes as long as it is applied equally and uniformly on the basis of actual valuation as fixed by the Tax Commission," which means that if a percentage used, it must be uniform for the same people in the same class and pay the same taxes on the tax base for the taxes for the subdivision.

Just because we repealed the state tax, doesn't mean that two parishes within the same local taxing district can assess property at different valuations for the taxpayers who

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who have to pay the same millage on those taxes. You have to use a percentage for that particular tax that would be the same in Lafourche Parish as in Terrebonne Parish, and yet the two parishes aren't in the same local tax district. And you've got that throughout the state in a number of instances.

I'd like to say something else to correct the misnomer or misinformation that has been handed around. I believe that we're all pretty well cognizant of the meaning of the word "Equal" in the English language. "Equalization." It just means, if I buy a piece of property that's worth ten thousand dollars in the same identical taxing district with my neighbor's who had a piece of property worth ten thousand dollars, we're paying probably to the same taxing authority. Then I'm not going to pay one thousand dollars and my neighbor pays taxes on five thousand dollars. It's just as simple as that.

If taxes are equalized, insofar as revenue is concerned, it will not have one iota on the effect of the amount of revenue realized. It will just mean that my property is worth ten thousand dollars and my neighbor's is worth ten thousand dollars, then we have to pay taxes on the same valuation, the same assessment, whether it's one thousand, two thousand, three thousand or four thousand. It will have to be on the same assessment.

This is not true throughout the state, as I'm sure all of you realize. The fact of the business is that there's such inequality in assessments as applied as far as state taxes were concerned that we had some property which,

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believe it or not, was assessed at point seven percent of its value. And you just think about that. Point seven percent of its value. While some property was assessed as much as five hundred and thirty percent of its value. Yet they're all paying state taxes.

I find it kind of hard to find words to express what Mr. Chehardy means by a vicious plan that makes me get the same treatment my neighbor or as my friend in Caddo Parish, or Jefferson Parish or any multi-parish district. Of course, since the repeal of the State Tax now, unless the parishes are in the same local tax district, it's not necessary that the taxes appear on the same tax base.

But at least, insofar as everyone within the same tax district - whether it's parish or ward or multi-parish areas, whatever at least they should be treated the same.

I just can't demand what's so vicious about it, and I can't understand why that would be a rattlesnake proposition. Of course, my views are all based on the premise that we're going to be, at least we want to be treated equally, fairly and non-discriminatory in our taxes.

But now before we get down to some of these equalities, let me refer you to page ten that helped Judge Doherty to make up his mind in reference to this decision. And, by the way, let me say this, the original case was presented to the Supreme Court and that really was one side of the decision. The only thing was, we had to do on this issue, you might say, was to come into court and ask the tax commission if

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they had been doing their duty, and they said no!

And therefore, under the Supreme Court decision, we all decided we'd automatically get a decision because the law was plain as to what should be done.

And, gentlemen, you read that law. There's nothing wrong with the law which says you and I should be treated the same way. Uniformly. Equally. But some people don't like that principle, and the court found - they said they had clear and systematic irregularities of the assessment of property in the same class, is unconstitutional, discriminatory against one who is compelled by such a system to pay more than his fair share of the aggregate tax. It is not important whether this irregularity by the statutes set, or merely its administration.

And, as I pointed out to you a few minutes ago, the law is clear. The law says it should be uniform. The law says it should be equal. The law says it should be non-discriminatory. But the court found that that was not true. In fact of the business, they stated on page ten of the decision, their review of the testimony on the trial of this matter that showed that very few of the assessors throughout the state make periodic re-evaluation of property within their respective parish. In fact, the Assessor of

Lafayette Parish admitted that he valued property solely according to the prefixed classification, which valuation in each classification had been the same for the past fifty years."

Now, this might be of interest to Mr. Chehardy. On

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that same page, going down a little bit further, the court said "one home in Jefferson sold for \$12,500 and was assessed for \$2,100, where as another home in the same parish was sold for \$12,300, was assessed for \$400. In Lafayette Parish, a home which sold for \$8,000 was assessed for \$2,200; whereas a \$47,000 residence was assessed for \$2,200 or approximately the same, although it sold for almost \$40,000 more."

I have a few examples that I think you assessors ought to be interested in. (shows photographs with reductions made on the tax rolls for the year 1972, assessing property below 1971.)

Those manuals which were sent out to the assessors, I think, in 1967, were sent there to aid and assist the assessors in deriving the value. And I'm quite sure that if they looked at those manuals - I'm not saying that they had to go in and evaluate every nail and everything - but, they certainly wouldn't have come out with figures like that for the values of property.

If you remove from the law the words "actual cash value", what are you going to substitute in its place? You've got to use something. What are the assessors using now to determine the percentage that they're going to put to as the assessment on the valuation of the property? They've got to have some criteria of doing it.

So, the law stated the use of actual cash value. That means what the property is actually worth. What

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could you get for it if you actually put it on the market willing to sell it to someone willing to buy. And that's all it means. You've got to have some criteria to use. And it doesn't make any difference whether you ask five percent, or ten percent, or twenty percent or whatever it is, you've got to use twenty percent of something. So what are you going to substitute in its place? That's all words, and that's all we use "actual cash value" in the law.

I feel like that I can be of assistance to the committee, because of my knowledge and study that I had to make in order to fight this case through the court. And the only thing that we're interested in is that when you have property, that you have equal value subject to equal taxing authority, that the taxes should be equal on those two

pieces of property. That's all it means and it doesn't say that you have to pay taxes on one hundred percent of the value. Actually, it may be ten percent of the valuation of that property. It may be based on ten percent of the actual valuation.

But certainly, let's treat all our taxpayers in the State of Louisiana the same non-discriminatory, equal fair and just way. I think Mr. Triche explained that to us, the committee, very well. We ought to follow the law, and I don't think the courts are going to let us do anything less than that.

Now, insofar as turning the complete question of the valuation of property where the assessor should make all the valuations and determinations of how much tax is going to

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be paid. I don't know if that would be good or not.

But I certainly think we have to allow the assessors the leeway in making the valuation and we should set up some standard, so we can set up a check point so we can have a balance of outcome, checks and balances. And it ought to be that way.

And that's the purpose of the tax commission serving us now. I don't think the tax commission is going to usurp the power of the assessors. I don't think we want that. The assessors are locally elected and responsive to their people. And as long as they do their jobs the way they should be done, I think that that's right.

I believe now that the attention of the public is going to be focused upon the assessors in a way that they are going to do a better job. But let's all do it uniformly to the best of all, and not let some of the parishes do it right, and other parishes reap the benefits in the access of Revenue Sharing out of money because they have such losses and out of the same taxing district.

I'll be glad at anytime any of the committee members want to talk to me and give them the advantage of my studies, because time doesn't allow my going into all the law and facets of it. And you may have some questions, which I'll be glad to answer at anytime.

STATEMENT OF SENATOR J. D. DeBLIEUX  
TO THE COMMITTEE ON REVENUE, FINANCE AND TAXATION  
ON MARCH 28, 1973

There is nothing in the law with reference to the assessment of property which states that property shall be assessed at "100% of actual cash value". That is misleading and absolutely contrary to law because the law provides that property shall be listed at its actual value and shall be assessed a percentage of its actual value.

The only place in the law where the words "100%" are used is in Article 12 of Section 15 with reference to the levying of the 5 mill tax by each parish for school purposes. That proviso reads as follows: "Provided,

that this constitutional tax shall continue to be levied, assessed and imposed upon 100% of the assessed valuation of property for state taxation purposes."

As can be clearly seen, this 100% applies only to the assessed valuation, not to the actual cash value and is applied only to the property which is assessed statewide. Since we no longer have property subject to statewide taxation due to the repeal of the 5-3/4 mills, therefore we might say that this is no longer in the law.

There is a difference in the meaning of the word valuation and the meaning of the word assessment. Valuation is what the property is actually worth. Assessment is the percentage of the valuation to which the millage is applied. Judge Doherty made that very clear in his opinion when he stated on page 4 of his opinion, when he said that Section 1989 used to require the state to set the percentage of actual cash value which the parishes and special taxing districts were allowed to levy on property. Since this section was amended and I quote: "The local authorities may fix assessments as they please for local purposes as long as it is applied equally and uniformly on the basis of the actual valuation as fixed by the Tax Commission".

Equalization does not mean an increase in revenue. It only means that properties of like value subject to the same taxing authority will be treated the same. This certainly is not true at this time when we have valuations ranging anywhere from .7% to 550% of actual cash value.

With reference to Mr. Chahardy's statement that this is a "vicious plan" what is vicious about treating everybody the same, fair and just? It is because this has not been done which brought this situation about. I quote from Judge Doherty's decision on page 10: "A review of the testimony on the trial of this matter shows that very few of the assessors throughout this state make periodic reevaluation of property within their respective parishes. In fact, the assessor of Lafayette Parish admitted that he values property solely according to a pre-fixed classification which valuation in each classification has been the same for the past 50 years."

This also may be of interest to you, quoting from that same page: "As an illustration, one home in Jefferson sold for \$12,500.00 and was assessed for \$2,100.00, whereas another home in the same parish was sold for \$12,300.00 was assessed for \$400.00. In Lafayette Parish a home which sold for \$8,000.00 was assessed for \$2,200.00; whereas a \$47,000.00 residence was assessed for \$2,200.00, or approximately the same, although

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It sold for almost \$40,000.00 more."

And while we are talking about Jefferson I call your attention to these (shows photographs with reductions made on the tax rolls for the year of 1972 assessing property below 1971).

There is nothing in the law which says that the property in one parish has to be assessed for the same sum as that of another parish, however, if the two parishes are in the same taxing district then you must apply the same standard to each one.

Equalization is not a "rattlesnake" as Mr. Chahardy says it is. It

just means that all taxpayers will be treated uniform, fair and nondiscriminatory and I don't believe we can say that is the picture now.

## NOTES

Memorandum on Bussie v. Long is reproduced with the Full Committee Minutes, March 16 and March 17, 1973, above.

### A LOOK AT LOUISIANA'S PROPERTY TAX PROBLEMS

(An address to the Revenue and Tax Committee of the Constitutional Convention by Pegram J. Mire, Assessor of Ascension Parish, Louisiana)

This committee has been charged with the responsibility of presenting to the Constitutional Convention a solution to one of the most controversial and possibly the most significant phase of the new constitution of our state. This charge is to arrive at a system of property assessment and taxation which would satisfy the courts and more particularly, be fair to the taxpayers. As a member of the committee and because of my years of experience in this field, I feel it my duty to present for your study and consideration a few of the problems as they relate to the recent court order on property tax equalization and the property assessment and taxation system in general. Much has been said about the homeowner, the unfairness of values placed within parishes, between parishes and it seems that the whole court case was tried and decided based on examples of values placed on homes. I would like to bring to your attention this fact. As important as the homeowner is, there are many other classes of properties bearing the brunt of the total Ad Valorem Tax bill. These various classes of property in Louisiana are assessed by several methods. In looking at these methods of arriving at a realistic value we must concern ourselves with the different classes of property we tax and the related problems existing in arriving at a fair taxable value. Let's take a look at some of these properties.

#### 1. Oil and Gas Property

Traditionally, these are valued by the Louisiana Tax Commission as per a schedule set out by the Tax Commission. In many cases these property values will not relate to cost, actual value, or appraised value due to their being on a statewide basis.

#### 2. Manufacturing Plants Coming on the Tax Roll

In some cases these are put on the tax roll on the basis of a final cost affidavit at the expiration of the ten year exemption period. Others are put on the tax roll on the basis of appraisals made by professional appraisers hired by the industry. I contend that a more realistic approach toward evaluation of these plants would be based on the proportionate per cent of their end of year consolidated statement as to the assets of the plant or division in question based on market value of the stock. These plants change hands or ownership very seldom and in most cases are never put on the market so that there is no criteria for establishing actual cash value.

#### 3. Public Utilities

Assessment and valuation of this class is a function of the Louisiana Tax Commission totally.

#### 4. Retail Outlets of Goods and Services

Inventories, machinery and equipment, furniture and fixtures are assessed at a certain per cent of cost. Is it fair to assess all inventories of retail outlets at the same per cent of cost? Take a super market, for example. It may turn over its entire stock on a weekly basis. A furniture store may move most of its stock two or three times a year. Machinery, equipment, and parts outlets have even less turnover. Think of the varied businesses and their ratio of inventory to sales, varied mark-ups and/or per cent of profit. Under acceptable norms a fairer practice would be to evaluate inventories by classes.

#### 5. Financial Institutions

A group of financial institutions whose assets are negligibly assessed are savings and loans, finance companies, mortgage loan companies, insurance companies, and brokerage firms. The credits or true value of these companies are particularly hard to determine. Banks in Louisiana are assessed under a special provision by the Louisiana Tax Commission and based on the capital structure. Under this provision the per cent of its capital account will be assessed at 30% by the year 1976. My experience has been that the banks are deducting from their capital accounts such items as interest accrued but unearned, reserves on loans and securities, and other unallocated reserves. Many times these reserves will amount to more than their admitted capital. In the case of a national bank, the Comptroller of Currency considers all of these reserves as part of its capital and allows only unearned interest to be deducted from the capital account. It would be interesting to compare the year end consolidated published statement of most banks with the Ad Valorem Tax report submitted to the Louisiana Tax Commission in an attempt to reconcile the capital account as published with the capital account as reported to the Louisiana Tax Commission for tax purposes. The net result of this system of reporting is a taxable value far less than the provisions of the law.

Another interesting observation in the banking field is the fact that the capital account of a bank is based on the book value of its stock, however, in my parish bank stocks are selling for much more than the book value and in some cases as much as double that value. Now, just what is the actual cash value of a bank?

In Ascension Parish, for example, we have four banks. In studying their Ad Valorem Tax reports I found that where one bank reduced its capital account by as much as 40%, another showed no reductions. After calling this to the attention of the Louisiana Tax Commission and the bankers, the reports were revised allowing the same proportionate per cent of capital to be used in reserves in all banks in the parish. This resulted in an equitable assessment practice. When looking at equalization and/or a value for tax purposes in the field of financial institutions this should be given particular study so as to be administered uniformly statewide.

6. Public, Fraternal, Religious, Hospitals etc.

These classes of property, normally exempt, should be carefully looked at and adjusted according to their justification. Is it possible that some of these exempt properties are now competitive with private enterprise and comparable in income produced?

7. Real Property - Homeowners, Land Owners, Farmers, Investors, Developers etc.

Because you are so familiar with these particular classes, I don't feel it necessary for me to go into detail about them. I would, however, like to recommend very strongly that these properties be assessed by a system of classes covering like properties.

In addition to specific problems and practices in the assessment field, the court order demanding statewide equalization presents further problems for your serious consideration. In my judgment, its implementation by the Louisiana Tax Commission will give the power of setting the actual cash value on all taxable properties to the Governor through his appointees. Should the Legislature decide to fund the Louisiana Tax Commission, and this would be a very costly undertaking, I assume they would hire so called 'experts' or professional appraisers to arrive at these values. Because values differ considerably throughout the state depending on the location, you know as I do that three qualified appraisers in any one area in the state will differ, and in most cases, differ significantly on the value of the same piece of property. Having served twenty years as Tax Assessor and being a licensed real estate broker, I know that I am qualified to value local properties. If called upon to appraise properties outside of my area I would of necessity associate myself with a local appraiser to determine the value of such property. It would be impractical, unworkable, and unrealistic to believe that professional appraisers could in fact arrive at a fair actual cash value of all properties on a statewide basis. Further, the cost of such a system would be prohibitive. You might say here, "What if they hire local appraisers only?" Let me point out the pitfalls of this.

The professional appraiser or appointed 'professional' assessor would be another giant step toward taking away from the people their voice in taxation and throwing it into the hands of state government. Under the present system, the assessors of Louisiana are elected by the people, answer directly to the people, and can be removed by the people if they are unfair. Our constitution is based on a system of checks and balances and the present system leaves us one way of maintaining a check on our property taxes. A professional appointee would have to answer to the Governor only. The people would have no means of redress.

Further, assessors meet property owners face to face. They are accessible, as they are required by law to live in the district where they value properties. They know the problems of the homeowner and also the problems of the businessman. The professional appraiser or assessor would not know the pulse of the people, the local economic conditions, local values, or local needs. Indeed, a change in this area would only add further chaos to an already most complicated situation.

The problem of equalization confronts not only individual parishes but also the multi-parish taxing districts. To eliminate a common denominator, would it be possible for state agencies to take over the duties and responsibilities of all multi-parish districts including debt and debt services? This is possible and warrants serious study.

If after all is said and done we are forced to equalize on a statewide basis at actual cash value, and that per cent of actual value is the same in all taxing districts, I contend that the bonded indebtedness will reduce its millage proportionately to the assessment increase. The area that frightens me is the maintenance millages in the various service districts of our local and municipal governments. As a practical matter, I know all local governments need additional revenue for added services and/or improvements and for this reason the reduction in those millages will not be proportionate to the increase in assessments.

After long and careful study of the problems involved in this issue I feel that the taxable criteria within taxing districts should certainly be uniform and equitable by classes. Further, to establish fair and equitable assessment practices throughout the state, the Louisiana Tax Commission should be specifically charged with the duty of supervising assessment practices, with authority to compel each assessor to comply with the law.

Let us hope that we can come up with a solution acceptable to all.

Mr. Chairman, members of the Committee.

We're running about a half-hour late and Senator Nunez has asked me to give him about five minutes of my time, and I'll be happy to, and in deference to the speakers this afternoon, I'll try to make it short.

I'm really not as concerned about the present, where we are today in the big controversy between the decision in the present court case and the feelings of Mr. Chehardy, Mr. Simon-eaux, and Senator DeBlieux, as I am about the future and what this deliberative body can do to bring some law and order to the chaos that we now have in Property Taxing.

I hope that as we come out of our deliberation that we can develop a plan that the people of this State will accept and make all of our problems today moot.

I'm involved on a day to day basis with one of the biggest taxes in the country, Income Tax. And the success of that particular program nationwide is a self-assessment program, where an individual assesses himself based upon the income that he has, and based upon the success of the income tax whether you like it or you don't like it - it has met with some degree of success. Because there has been some order placed into that self-assessment program. People can believe that once they've paid their income tax, they have at least paid something equal to what someone in a situation similar to theirs has paid.

LOWE ON ADVALOREM

Of all the important programs in the Income Tax is the Internal Revenue agents, because they see that the amount of taxes I pay is equal to the amount of taxes that my neighbor is going to pay, or someone in another state is going to pay.

And this, I think, brings us to the problem that we have in Property Taxes in the State of Louisiana.

Do you know that I, as a CPA, will not file a taxpayer's report for my client?

I take exceptions in the parishes of West Baton Rouge and Point Coupee, I believe, because I sit with the assessor based upon the fact that my client tells me to sit with the assessor, and give him the information. They have confidence in the assessor that allows me to sit and give him the facts.

Other than that, I do not file a taxpayer's report for my client. Now, that is a decision I made after filing some years ago some reports, realizing that my client comes to me and tells me that there's an inequity if I place on the taxpayer's report the actual value on his books, that he's not being treated the same as some other taxpayer, his neighbor or some competitor.

Now this is what they tell me.

The only way we'll file a taxpayer's report for a client

is that if he gives us a letter, telling us that he understands that he's telling us to place the actual cash value on his taxpayer's report. As a CPA, that's all we can do.

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LOWE ON ADVALOREM

Now, I'm disappointed in the system that makes it impossible to bring some orderly reporting to an assessment program in the State of Louisiana. I'm only for one thing. I don't know whether I'm for Chehardy, or whether I'm for DeBlieux, or whether I'm for Simoneaux. The only thing that I know that I'm for is to see that every taxpayer gets equal treatment. Do I feel that we get equal treatment today? Personally, I don't believe the taxpayers are getting equal treatment.

Now I'm happy that the suit was brought. I'm not happy that we're in the dilemma we're in, but we've been all ... Look...What's taken us off of dead center in the last ten or fifteen years? Absolutely nothing.

We've talked about taxes. We've talked about property taxes. But up until today, we've been in the same dilemma that we've been in the past years. At least, today the suit has us talking about it. At least today the suit has us giving serious consideration to what we're going to put in this Constitution that we're going to send the State people in January of 1974 or sometime after that.

Now, I think there are a lot of people who have put us in the situation we're in. I think the governors, personally and this is my thought, I think the governors haven't done what they should have done to bring some order to the problem of Property Tax, the Tax Commission, the Legislature.

So what do we have? We have the assessors who are working with a system that's unworkable. I don't know what to say to the assessors, except it's impossible for you to do a good job with the system we have.

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LOWE ON ADVALOREM

So actually, I'm going to close and I have some other thoughts, but Mr. Nunez has a much more golden tongue than I have, and I would hate to deprive them of the brilliance you have, Senator Nunez. So, I'll close with the thought of saying that I hope that the assessors of this State will show the leadership and come before this deliberative body, and give us a plan that we can come back and say we have something here that tells us that the people that know most about what's going on back home, and what should be done as far as Property Tax is concerned, have come to us united with a plan they say will work.

I don't think we should tell them it's going to work; I think they should tell us it's going to work. And, it's incumbent upon them to come to us and give us that plan. Without that, I don't know that we can do the job that we should do.

So, I'm going to close by saying that I look forward to seeing the assessors, speaking with the assessors, and look forward to the day when we wrap up our work on this "CC/73" and send to the people a plan that's going to bring equal treatment to all.

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VERBATIM STATEMENT BY DR. JAN DUGGAR, DIRECTOR OF GULF SOUTH RESEARCH INSTITUTE TO THE SUBCOMMITTEE ON AD VALOREM TAXATION  
March 30, 1973

I appreciate the opportunity to be here this afternoon with you, however, I find it's very difficult to come before a well-informed group such as yourselves, and hope to present any meaningful additional information on such a controversial topic as the Property Tax.

Property Tax has been studied, debated, condemned and appraised in Louisiana to the point where there are numerous reports and position papers available to you on this method of taxation. Furthermore, the tax laws as they're read appear to be similar in many respects to the tax laws you find in the books of numerous other states.

In my opinion, the difference between Louisiana's Property Tax system and other states lies in the area of administration practices.

Let us discuss briefly the features of Property Tax Administration found in other states. First, the state agency. The agency responsible for administering property tax usually is the Department of Revenue. There are still tax commissions in a number of states, Nevada, Louisiana and so on, but the trend appears to be in the direction of placing the administrative responsibility with a professional taxing group such as the Department of Revenue.

Second, the administrative organization or the administrative agency is required, in fact, required in forty-three states to conduct annual ratio studies in every parish or every county in that state. Forty three states each year conduct ratio studies, county by county. The published results, can be used in taxpayers suits. These annual ratio studies are used for equalization, of course, between counties, for equalization within counties, and also provide a measure for local assessments practices.

Third, the state administrative agency provides information, instructions, manuals, maps, and other

material for the local assessor to assist him in establishing uniform evaluation. It could mean the introduction of special educational programs, through vocational training, and so on.

Fourth, the state agency appraises and assesses inter-tax district property, such as your railroads, public utilities, pipelines and so on.

Many state agencies now provide special appraisers to the local assessors, particularly for the purpose of assessing industrial and commercial property. Appraisers would be sent by the state office to the county assessor's office to assist him in the appraising of industrial and commercial property, the point being that there is a great tendency to under evaluate, because of the locational factor and the attraction of industry,

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and that by providing this specialized service, you can avoid some of these pitfalls.

Sixth, the state agency should be sure that the appeal system is effective and readily available to all property owners and it's not involved in the elaborate and expensive court cases and procedures.

Let me review some of the practices that Mr. Daggett mentioned in terms of Kentucky. Since 1965, Kentucky obviously has undergone a dramatic change in its property tax system. Today, Kentucky is considered to have one of the better property assessment, review, and equalization procedures among all of the states. Fiscally, the state depends very little on property tax. It compares very closely with this state's receipts from the tax on net at the time we moved out of this area of taxation.

Nevertheless, Kentucky had retained control of the assessment process. The basic assessing unit is a cabinet of property valuation administrators and their assessors who are locally elected, as they are in Louisiana, by court decree or state officials. However, these local assessors are under the direct supervision and direction of the state department of revenue in making assessments. Of course, in Kentucky the Constitutional level of assessments is fair cash value or a hundred percent. Assessors must submit annually assessment figures broken down by property classes within their county to the department of revenue. The department of revenue, at the same time, is required by law and in practice does conduct sales assessment ratios in each

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county and compares the two of data, to make sure the assessment rolls are within two and one half percent of the stated value.

When the level does not meet the minimum standards for all classes of real property, the assessment is

returned to the assessor for re-evaluation. The department also has the authority to apply percentage increases to the aggregate assessment or to any class of property to bring the assessment to fair cash value. As a matter of fact, they've never had to do this, because they simply have returned the class rolls to the assessors, outlined the areas of disagreement, and the rolls have been corrected, and re-submitted, and accepted.

However, the department of revenue does have the right to impose an across-the-board increase if its necessary. The taxpayers' rights under this system are protected by a comprehensive, but very simple, appeals procedure. Upon completion of local assessment, a local board composed of three individuals knowledgeable in property value, appointed for a four-year revolving term, meets and hears the taxpayers' case against the assessors roll. Any taxpayer who disagrees with the local board's decision, of course, may appeal to the Kentucky Board of Tax Appeals. This board is an independent, quasi-judicial body empowered to hear appeals from rulings of both state and local bodies. Hearings are held in the county in which the dispute arises, or near the property where the dispute

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is located. And, of course, the decision may be appealed to the circuit court and to the court of appeals.

Now the Kentucky Department of Revenue provides technical assistance and evaluation aids to the assessors, maintains an office staff and a field staff. The field staff is approximately thirty supervisors who work daily with assessors on assessment problems, particularly low assessments, and individual equalization problems.

Now, Kentucky is but one example. A number of other states have thoroughly revised their property tax electives in recent years. Attention is called to the case of Minnesota, Wisconsin, Georgia, and there are other states that have introduced comprehensive reforms in their property tax systems in the past few years.

Let me conclude by saying, it is my opinion as an individual that taxpayers have become accustomed to expecting uniform, impartial administration of tax law, and if the property tax is to be freed from this continued attack placed upon it, the administrative practices will have to be standardized. The matter of assessment practices is not simply a local issue. It has a very substantial impact on state-local fiscal relations. And I believe it's in the interest of the state government to maintain control over assessment practices.

I hope that as you examine the constitutional provisions and statutes that you will recommend to the people of this

state a system which assures state supervision, uniform assessment practices, equalization, and adequate research

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to keep the system sensitive to the needs of the people of Louisiana.

Thank you.

VETERANS HOMESTEAD EXEMPTION

Mr. Chairman:

I am Dick Staggs, Director of the Louisiana Department of Veterans Affairs, here to discuss with you the matter of additional exemptions on homesteads for war veterans provided in Section 4, Article X of the present Constitution. Here with me are Mr. Wilson Hobart, State Adjutant of the Louisiana Department of the American Legion and Mr. Frank Pivon's, State Adjutant of the Louisiana Department of the Veterans of Foreign Wars. All members of the veterans organizations are vitally concerned with the preservation and continuation of homestead exemptions for Louisiana veterans.

We shall not attempt to give you a scholarly presentation on the technicalities of property taxation or the impact of exemptions on property taxes. That is not our field. Instead we shall attempt to bring to your attention what we know the great majority of veterans in Louisiana want regarding homestead exemptions, what the veterans organizations in the state support in this regard, and what a majority of the electorate of this state have repeatedly demonstrated by their approval at the polls.

We have attached for inclusion in the minutes of your meetings a brief history of the Constitutional Amendments providing veterans homestead exemption which have been approved since World War II. A total of eight proposed Amendments dealing with homestead exemptions have won voter approval. This is a good track record, and should prove conclusively that the people of Louisiana want our veterans to have the additional homestead exemption benefit.

The purpose of the first additional exemption of \$2,000.00 which began in 1947 was to encourage the World War II veteran, whose progress in life had been interrupted by military service to purchase a home and permanently establish himself, and to alleviate some of the burden of taxes on the home for a five year period while he acquired financial stability. Although the first Amendment stipulated a maximum of five years exemption, it also imposed a deadline of 1951 after which the exemption could not be claimed. This 1951 deadline proved to be an error in foresight by the drafters of the Amendment.

It was apparent by 1948 that a large number of World War II veterans who were training for vocations or professions under the G. I. Bill would not achieve

an employment status to qualify for purchase of homes prior to the deadline. A second Amendment extended the deadline thru 1954 and in 1952 it was extended through 1959 and Korean veterans were included for eligibility. Subsequent Amendments, all following the five year pattern, have extended the deadline and provided eligibility to veterans of World War I and Vietnam.

The last and current Amendment, Article X, Section 4, Par. 9(b.4), provides an additional five year exemption to veterans of World War I, World War II, Korean Conflict and veterans who served in Vietnam with exemptions beginning with 1970 and continuing through 1975.

The same situation exists today which existed after World War II resulting in extensions of the deadlines. Many Vietnam veterans will not need to purchase or be in a position to purchase a home for several years. The present 1975 deadline will deprive these veterans of some or all of the homestead exemption benefit when

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they do acquire a home. Since World War II and Korean veterans are now buying homes for the first time. The federal "G. I. Loan" Program which enabled our veterans to purchase homes is still open to all veterans and has no expiration date.

To explain the origin and impact of the Veterans Administration "G. I. Home Loan" Program in Louisiana, we have attached statistics showing that since World War II a total of 11,547 loans have been approved for more than One and a Half Million Dollars. In 1972 a total of 6,312 loans were approved and applications are increasing sharply. The G. I. Home Loan Program and Veterans Homestead Exemption Program complement one another.

Now we come to the basic question. Should homestead exemption for veterans included in the proposed Constitution? Our answer and recommendation to you is if homestead exemption is provided directly in the Constitution, as surely it must, then veterans exemption should also be provided. Some of you are probably weary of hearing the phrase "protection of the Constitution" but objective political realism tells us that a Constitution does offer a certain protection against political whims or expediency. Further, a Constitutional provision assures uniform statewide implementation whereas Legislative Acts may contain exceptions.

Recent repeal of the state Ad Valorem Tax is immaterial to the basic question. It is predicted that local taxing authorities in search of additional revenue will rapidly initiate or increase existing property taxes to absorb the village eliminated by the state. Veterans Homestead Exemption covers parish taxes, too.

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Summarizing our remarks we respectfully submit the following recommendations:

1. The \$5,000.00 homestead exemption provided to veterans has been repeatedly approved as a Constitutional provision by the electorate and should be included in a new document to insure uniform implementation in all parishes and protection against political expediency.
2. Every veteran who performed military service in World War I, World War II, the Korean Conflict, or at any time after January 31, 1955 and prior to the official termination of the Vietnam hostilities, should be provided the exemption benefit.
3. To assure fair and equitable treatment to all eligible veterans there should be no deadline terminating veterans homestead exemption.

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HISTORY OF VETERANS HOMESTEAD EXEMPTION AMENDMENTS

- Act 412  
Reg. Ses.-1946 Added sub-paragraph (3b) to paragraph 9, Section 4, Article X of Constitution  
Authorized \$5,000 homestead exemption for a maximum of 5 years to veterans of World War II. Exemptions to begin with year 1947 and could not extend beyond 1951.
- Act 547  
Reg. Ses.-1948 Amended sub-paragraph 9b, Section 4, Article X  
Extended time limit for claiming 5 years exemption. Exemption to begin with 1947 or on date of title to property and to end after 5 years but not beyond 1954.
- Act 346  
Reg. Ses.-1952 Amended 9b, Section 4, Article X  
Extended time limit for claiming 5 years exemption thru 1957 and included Korean veterans for eligibility.
- Act 589  
Reg. Ses.-1956 Amended 9b, Section 4, Article X  
Extended time limit for claiming 5 years exemption thru 1964.
- Act 538  
Reg. Ses.-1958 Added new sub-paragraph (7b.1) to Section 4, Article X  
Provided total of ten years exemption to veterans with both World War II and Korean Service. To begin with year 1947 and to extend beyond 1969. Exemptions used under previous amendments to be included in the total ten authorized.
- Act 539  
Reg. Ses.-1964 Added sub-paragraph (7b.2) to Section 4, Article X  
Provided additional 5 year exemption to World War II and Korean veterans and included World War I veterans for eligibility. Exemptions provided to begin with 1965 and continue thru 1969.
- Act 695  
Reg. Ses.-1968 Added sub-paragraph (9b.3) to Section 4, Article X  
Provided exemption to widows of veterans killed on active duty after June 27, 1950. Maximum of 5 years exemption to begin with the year 1969 and end 1973.
- Act 707  
Reg. Ses.-1968 Added sub-paragraph (9b.4) to Section 4, Article X  
Provided additional 5 year exemption to veterans of World War I, World War II, Korean Conflict and also included veterans who served in Vietnam. Exemptions to begin with 1970 and continue thru 1975.

VA HOME LOANS APPROVED IN LOUISIANA SINCE WORLD WAR II

GUARANTEED LOANS

New Orleans Regional Office	32,375 for a total of \$1,388,103,577
Shreveport Office	19,051 for a total of \$ 158,533,237
Total Guaranteed Loans to Date	112,026 for a total of \$1,544,635,815

DIRECT LOANS

Total Direct Loans Approved To Date	7,521 for a total of \$ 74,227,369
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Grand Total of Guaranteed and Direct Loans Approved to Date 119,547 for a total of \$1,518,862,884

Guaranteed Loans Approved in 1972	6,250 for a total of \$ 130,314,983
Direct Loans Approved in 1972	63 for a total of \$ 947,373
Total of Guaranteed and Direct Loans Approved in 1972	6,313 for a total of \$ 131,262,356

RECOMMENDATIONS TO THE FINANCE AND TAXATION COMMITTEE OF THE CONSTITUTIONAL CONVENTION OF 1973

By Representative Frank P. Simoneaux

I. What does the Bussie decision mean?

In order to understand Louisiana property taxes, one must understand the two-step formula set forth in our laws:

- (1) (Actual cash value) X (selected percentage) = assessed value
- (2) (Assessed value) X (number of mills levied) = dollars of taxes produced.

The assessors are responsible for initially determining the actual cash value of all taxable property but the Louisiana Tax Commission has the final responsibility. The various local bodies levying taxes are responsible for selecting a percentage of actual cash value upon which the authorized millages are applied. In most instances millages are fixed by law but some taxing bodies have the authority within certain limits to fix the number of mills.

Obviously if you fail to uniformly apply the first factor (actual cash value) to all taxable property, the end result will be unfair to some taxpayers. Likewise, if you adjust one factor upward and another factor proportionately downward, the same amount of tax dollars is produced. I suggest that we abandon the two-step formula because it is too confusing to the public. We should abolish the use of a percentage of cash value and proportionately reduce the number of authorized mills. By doing so we would adopt the simplest formula: (Actual cash value) X (number of mills) = dollars of taxes produced.

There will always be some judgment to be exercised by the persons who value property and therefore some difference of opinion as to actual cash value. The Bussie case recognizes this judgment factor. But we should at least begin with a uniform valuation standard. All fifty states utilize "cash value" or "market value" as that standard.

R.S. 47:1702(7) defines actual cash value thus: "Actual cash value," or "actual cash valuation," means the valuation at which any real or personal property is assessed for the purpose of taxation, after the assessing authorities have considered every element of value in arriving at such valuation. The price at which any piece of real estate or personal or movable property shall have been sold for cash in the ordinary course of business, free of all encumbrances, otherwise than at forced sale, shall be evidentiary only, and be considered with other factors in determining the actual cash value for assessment purposes.

We probably should redefine "actual cash value" in order to give the assessors and the Tax Commission better defined guidelines in valuing property. The Louisiana Property Assessment Manual for Assessing Officials contains additional guidelines for determining actual cash value. Particularly troublesome are utility and heavy industry plants and equipment which are seldom sold in the ordinary course of business. There is also the problem of farm lands situated adjacent to developing communities and industries. I believe we can define "actual cash value" so as to exclude speculative market values. We may also want to provide that upon the sale of property at a price higher than the value listed on the tax rolls, the owner shall be liable for addition-

al taxes based on the average value between the value used for taxation and the actual sales price. This liability would extend back for five years immediately preceding the sale.

The evidence in the Bussie case showed that the Tax Commission was in the words of the court "doing very little in order to achieve uniformity and thereby equality in the assessment of property throughout the state" and "that very few of the assessors throughout the state make periodic revaluations of property within their respective parishes."

The factual conclusion of the court was as follows: "In summation, the Court is of the opinion that the evidence demonstrates conclusively that there is a complete lack of uniformity and equality between assessment not only within the parishes of the state, but also inequity in assessments between parishes."

The pertinent part of the judgment in the Bussie case is as follows:

"IT IS ORDERED, ADJUDGED AND DECREED that there be judgment herein in favor of Victor Bussie, et ux, and against the defendants. Blanche R. Long, James R. Leake and Leo J. Theriot, Members of and the Louisiana Tax Commission, decreeing that: 1) The present system of administering the ad valorem property tax laws of Louisiana violates the uniformity clause in Section 1 of Article X of the Louisiana Constitution, the due process clauses of the Fourteenth Amendment to the United States Constitution and Section 2 of Article I of the Louisiana Constitution and the equal protection clause of the Fourteenth Amendment to the United States Constitution; 2) The Louisiana Tax Commission is enjoined from approving any assessment rolls pursuant to R.S. 47:1993, without ascertaining that all taxable property is listed at actual cash value, commencing with all tax rolls which will be submitted after January 1, 1975; 3) The Louisiana Tax Commission shall immediately, through the exercise of its own powers and authority, take all appropriate steps to comply with Louisiana laws affecting property assessments, specifically as they relate to the valuing of all taxable property at actual cash value; 4) The Louisiana Tax Commission shall immediately, through the exercise of its own powers and authority, take all appropriate steps to secure uniformity and equalization in the assessment of all taxable property in the State of Louisiana; 5) The Louisiana Tax Commission shall immediately devise a plan and submit the same in the form of an order and directive to various parish assessors, and all other persons under the supervision of the Tax Commission,

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which plan shall establish a method for achieving equality and uniformity of taxable property within their respective parishes, and shall establish actual cash value as a criteria for evaluation of all taxable property in the various parishes; 6) The Louisiana Tax Commission is granted until January 1, 1975, in which to fully implement the provisions of this decree."

It does not appear that the legislature or this Convention can escape the "uniform and equal" mandate of the Bussie decision by enacting new or repealing existing statutes or state constitutional provisions which pertain to property taxes. The Court decision was not based on statutes or state constitutional provisions but rather on Federal Constitution. One might ask if the state is yet in "the property tax business" although the state does not levy a property tax. The Court recognized that local governmental units derive their taxing power from the State and that whenever the State grants to local governmental units the power to tax, the legislative authority for taxation must insure uniformity in the method of valuing property. The rationale of the decision was expressed by the Court thus:

"However, the Court is of the opinion that a stronger foundation for equalization may be laid on the basis of basic constitutional principles. For it is clear that a systematic irregularity of assessment of property of the same class is an unconstitutional discrimination against one who is compelled by such a system to pay more than his fair share of the aggregate tax. It is not important whether this irregularity is caused by the statute itself or merely its administration.

Section 1, Article X of the Louisiana Constitution and the Equal Protection and Due Process Clauses of the Federal Constitution have been interpreted to require uniformity in the method of valuing property for taxation purposes."

For the Committees convenience we also quote Section 1, Article X of the Louisiana Constitution.

"The power of taxation shall be vested in the Legislature; shall never be surrendered, suspended or contracted away; and all taxes shall be uniform upon the same class of subjects throughout the territorial limits of the authority levying the tax, and shall be levied and collected for public purposes only."

Thus it is readily apparent that contrary to some opinions, the State is indeed in the "property tax business" and the repeal of the State's 5 3/4 mill tax has had no effect on the State's obligation to insure uniformity of valuation whether the tax is state-wide or only local.

In other words the state may not leave the matter of property valuations to the sole discretion of the assessors who are ministerial officers and can not exercise powers of a legislative nature. In this respect the Court said:

"In addition, a statute which fails to provide clearly ascertainable and well defined standards to guide the ministerial officers charged by law with its implementation and administration creates an unwarranted and void delegation of legislative power."

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attached article by that state's Commissioner in charge of the program.

### III. Recommended Constitutional Measures

A. The following provisions may be placed in the Constitution by this Convention or by separate proposals through the legislature. We must note however the January 1, 1975 deadline in the court order. There is no general election this fall so the 1973 fiscal session can not proposed constitutional amendments. I suggest that this Convention place nothing in the Constitution which would be contrary to the Bussie decision.

- 1) Recognize actual cash value as the standard for valuation of all taxable property.
  - a. All fifty states utilize "cash value" or "market value" as the standard.
  - b. This standard has been in our state constitution for approximately 75 years.
  - c. No other suitable standard has been proposed and without some standard in our law, the whole system would be unconstitutional.
  - d. Most taxpayers have an accurate idea of the market value of their property as well as other property in that locality.
- 2) Provide for a mandatory roll-back of millage and limit on the amount of property taxes generated.
  - a. Whether done through this convention or a legislative session, this roll-back should be in the constitution because there are some constitutional references to millages, and placing such a provision in the constitution would be a secure method of preventing tax increases.
  - b. This amendment would provide that in the first and subsequent years in which equalization is implemented, each taxing body would be limited to the amount of revenues produced by a given tax under the current system except for 1) increased millages approved by voters; 2) increased millages approved by taxing bodies with authority under the present law to increase millages by resolution or ordinance after public hearing; 3) additional taxable property being added to the tax rolls; and 4) routine appreciation of property values through the years.
  - c. This amendment would also include a mandatory roll-back of

*Handwritten notes:*  
 1) No classification  
 income to income  
 Amendment  
 no 16

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millages. To accomplish this each taxing authority would divide the aggregate cash value of all taxable property in its jurisdiction into the amount of revenues produced by a given tax in 1973. The result would be the new millage for 1974 and subsequent years unless increased as in the prior paragraph. The percentage reduction of this millage would also be applied to maximum limits of authorized mills in those jurisdictions not utilizing their fully authorized millage. This would assure pro-rated reduction of mills actually being used as well as the maximum number of legally authorized mills.

3) Increase the homestead exemption.

- a. The average state-wide valuation at present is approximately 20% of value. Under the actual cash value standard, all taxable property, including residential, would be increased about five times. In order to assure the homeowner the equivalent value of his present \$2,000 exemption, the exemption would also have to be increased five times (\$10,000) under the new system.
- b. There is some concern for homeowners with fixed low income. I suggest increasing the homestead exemption to \$20,000 for couples whose total spendable income did not exceed \$6,000 for the immediately preceding year and single persons whose total spendable income did not exceed \$3,000 for the immediately preceding year.

4) Amend Article X, Section 2 of the Louisiana Constitution to provide for appointment of members of the Tax Commission by the Governor from a panel of names submitted by the Louisiana Municipal Association, the Louisiana Police Jury Association and the Louisiana School Boards Association.

- a. Some assessors exercise policy decisions in unrealistically and systematically depressing the tax base within their parishes thereby resulting in diminished local revenues. This in turn causes the local governmental bodies to lose their independence and be dependent upon the state to an excessive degree.
- b. This new suggested method of appointment would give to the three principal local taxing authorities a voice in assuring that the Tax Commission properly supervises the system.

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IV. Recommended Statutory Measures or Legislative Resolutions

- 1) Amend R.S. 47:1989 to delete the authority of the local governmental units to select the percentage of actual cash value upon their respective millages apply.
  - a) Under the present law, a school board, a police jury, a municipality, a levee district, an ambulance district, a sewer district, and all other local taxing units may by simple resolution or ordinance fix the percentage of cash value to be used for application of the given millage.
  - b) Although this authority has seldom if ever been exercised, it does mean that these local governmental units can, without a vote of the people, increase or lower the actual taxes to be paid by the public. Such authority is probably an unconstitutional delegation of taxing power, especially

for those local governmental units whose members are appointed to office.

- c) The average member of the public is confused by application of a percentage factor, but all would understand the simple formula: cash value times mills equals dollars. The reduction of mills would replace the percentage factor.
  - d) To achieve confidence in our property tax system we must insure that the public has a direct voice in the amount of taxes collected. Under the foregoing proposal, there would be only two variables: actual cash value which must be the best judgment of assessors as reviewed by the Tax Commission and the number of mills which voters will have to approve or disapprove.
- 2) Organize and fund the Tax Commission so as to effectively supervise the seventy (70) assessors in the state in order to assure uniform valuation of all property. To accomplish uniform valuation, it is suggested that the Tax Commission should:
- a) Formulate a plan for uniform valuation of all property in the state;
  - b) Revise and update the present manual entitled "The Louisiana Property Assessment Manual for Assessing Officials" and issue appropriate instructions to the assessors concerning the use of the manual;
  - c) Plan workshops for the seventy (70) assessors at convenient locations throughout the state; and
  - d) Increase the size of the property tax field staff of the Tax Commission to assist the assessors both in initial valuations by the assessors and in review valuations by the Commission.
- 3) Publish the actual cash value of all taxable property in local newspapers and list it on the taxpayer's bill also. This would substantially increase the citizen-taxpayer's understanding of how the system works. Such publications would also serve as an additional check against improper valuations of taxable property.
- 4) Assure that the mandatory roll-back of millage will be accomplished by providing that revenue sharing funds would not be paid by the State Treasurer to the parishes until the Tax Commission has certified that the mandatory roll-back of millage has in fact been carried out mathematically.
- a) This would eliminate the public's fear that local taxing bodies may not reduce their millages and assure the taxpayers that a given tax would not produce more tax dollars than it did under the old system.
  - b) Within the aggregate tax, the burden of the tax would be automatically adjusted so as to require all taxpayers to pay their fair and proportionate share of the total tax. Some taxpayers now paying less than their share now would be required to pay more, and others now paying more than their share now would be required to pay less. This of course is the goal of tax uniformity -- equal treatment.

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## CONCLUSION

If confusion and chaos are the end result of the Bussie Decision, it will be because we as elected officials have failed to understand the mandate for fairness in property taxation and to responsibly discharge our duties. Understandably for those who have taken almost intransigent positions against uniformity in valuations, the change will be difficult. There is however the best interest of the whole state which must come ahead of political

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preferences of individuals. I suggest that now is the time to begin planning a responsible program which will assure fair treatment to all taxpayers and avoid an accidental increase in property taxes.

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## EXPERIMENT IN DEMOCRACY

(The Administrator's Response to Full Value Assessment by J. E. Luckett, Kentucky Commissioner of Revenue, for delivery September 27, 1966, at the National Tax Association Conference, Denver, Colorado.)

This is about Kentucky--about property, about the state and the local governments; about a recent experiment in democracy; about conflict between law and practice; about an abrupt uprooting of long established tax traditions and customs; about taxpayer anxiety, fear, uncertainty; about a search for justice by the people, by judges, by a governor, by lawmakers, and by administrators.

The story begins June 8, 1965. On that date, the Kentucky Court of Appeals, in the case of Milton Z. Russman, et al. v. James E. Luckett, et al., ordered all taxable property to be assessed at fair cash value, effective January 1, 1966:

This landmark decision set in motion a train of actions, state and local, designed to achieve compliance. The decision was not too surprising, but the effective date was, as the Department of Revenue had asked for at least two years in which to accomplish the objective in an orderly, efficient and acceptable manner. At the time, few thought such a monumental job could be done, administratively; few thought the results would be acceptable, politically.

Four questions may be asked: (1) How did the administrator respond? (2) Did the job--assessment at fair cash value--get done? (3) Are the end results acceptable to the court, to taxing jurisdictions; the taxpaying public? (4) What have we learned--what meaning does this experience have for us, and possibly for others?

In what follows, I shall answer these questions. But first, and by way of introduction, let me offer a few factual benchmarks that may put the Kentucky situation into better perspective.

### Kentucky Property Tax System

The Constitution of 1891 provided for a general property tax but authorized the legislature to determine rates, except in the case of counties and cities, for which rate limits were fixed. An amendment in 1914 authorized classification by rate. The assessment process starts with a locally elected county tax commissioner (20 counties) who acts under the general supervision of and is paid by the Department of Revenue. I don't need to go into detail about the problems this dualism in authority has created.

Section 172 of the Constitution reads:

All property, not exempted from taxation by this Constitution, shall be assessed for taxation at its fair cash value, estimated at the price it would bring at a fair voluntary sale; and any officer, or other person authorized to assess values for taxation, who shall commit any willful error in the performance of his duty, shall be deemed guilty of misfeasance, and upon conviction thereof shall forfeit his office, and be otherwise punished as may be provided by law.

Although the Constitution called for assessment of property at fair cash value, which is interpreted by the Court and the General Assembly to mean market value, or full value, the undeniable facts are that heretofore no assessing officer has sought to attain such an objective.

In a University of Kentucky publication a decade ago, John Shannon (formerly a Department of Revenue staff member, presently with the Advisory Commission on Intergovernmental Relations) pointed out the conflict between law and practice, stating:

Notwithstanding the unmistakable language of this constitutional provision, which demands market value assessment and imposes forfeiture of office for noncompliance, this directive has been flagrantly violated by the time-honored and pervasive administrative custom of fractional valuation.

There are some who believe that the Court of Appeals unwittingly may have prolonged the conflict by its decision in 1918 in the case of Eminence Distillery Company v. Henry County Board of Supervisors, et al. The court held, that in effect, the uniformity provision, Section 171 of the Constitution, took precedence over Section 172 providing for assessment at fair cash value.

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At any rate, the assessors seem to have adopted the view--why strain to get full value when only uniformity is required? Meanwhile, as market values climbed, assessment levels dropped accordingly.

Over a period of years, there were a few attempts at state equalization of the assessments made by the county tax commissioners, at average prevailing state levels which coursed ever lower.

After an attempt in 1954 to achieve statewide equalization at a 34 per cent level proved abortive and politically unacceptable, the Department of Revenue abandoned efforts at intercounty and interclass equalization.

The effect of a declining local level on state assessed property, which includes public service companies and distilled spirits in storage, was to force these assessments steadily downward, reluctantly on the department's part. This came to a head in 1959, when the Court of Appeals, in James E. Luckett v. Tennessee Gas Transmission Company, directed the department to equalize the assessment of public service property with other property.

The problems created by the fractional value system are well summarized in the Annual Report of the Department of Revenue for 1952. They are as follows:

1. The practice of fractional valuation stands in flat contradiction to the constitutional intent that property is to be assessed at market value.
2. Low assessments are undermining the financial integrity of local government and school districts.
3. Fractional valuation places assessment officials in a position to assume the tax and budget policy responsibilities of local legislative bodies.
4. Nonuniform fractional valuation confuses taxpayers and severely aggravates the problem of intra and intercounty equalization of assessments.
5. Competitive undervaluation has rendered efforts to distribute state equalization grants equitably to needy school districts.

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It is of interest to note that beginning in 1954 the state did invoke the full value principle for distribution of state aid for schools. To receive a full share of aid, the law required each local school district to make a tax effort measured by the percentage relationship of its equalized value of property to the total equalized value of property in the state subject to full school rates.

Accordingly, the Department of Revenue used statistical estimates of full value, based upon annual studies of sales and other information, for local tax effort equalization.

By 1965, the progressive deterioration of assessment levels in most counties, accompanied by growing intraclass, interclass, and intercounty inequalities, placed increasing pressure on local revenues because of constitutional and statutory rate limitations. This deterioration in turn continued the pressure on state assessed property. The combined effects, plus the insistent public demands for increased school funds, spelled trouble.

The statewide ratio for real estate had dropped to about 27 per cent with ranges among the counties between roughly 10 and 35 per cent. The inequality

between farm property and other classes widened. And within the counties individual assessments ranged from almost zero to 50 per cent and higher. One may wonder why it took the Court until 1965 to order such a decisive solution to the conflict between law and practice. Let us go to the Russman decision. The Court said:

Defendants next contend this court has in effect nullified Section 172 and the implementing statutes by substituting the test of "uniformity" in place of "fair cash value."

...this court has in no sense nullified Section 172... As a matter of fact, it has consistently recognized what the Constitution and the statutes require but until now has never had presented to it the kind of proceeding in which those provisions appropriately could be enforced. (emphasis ours)

In its conclusion, the Court of Appeals directed the lower court to enter a judgment:

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1. Declaring that section 172 of the Kentucky Constitution and the statutory law implementing that section require all property in Kentucky (not exempted by the Constitution) to be assessed for tax purposes at its fair cash value and that this section of the Constitution and the statutory law implementing it are valid, subsisting and binding upon all public officials;
2. directing the defendant Commissioner of Revenue to advise and instruct all county tax commissioners of their assessment duties under the Constitution and the statutes of this Commonwealth;
3. directing defendant Commissioner of Revenue to inform and advise all county tax commissioners of the substance and effect of this opinion, and their duties thereunder;
4. directing the defendant Commissioner of Revenue to take appropriate steps to comply with his duties under KRS 133.150 and other applicable statutes affecting property assessment;
5. retaining this case on the docket for the entry of such further orders as may be necessary and proper.

With this as a background, let me go back to the questions posed at the beginning.

1. How did the administrator respond?

The Court order was so direct, so sweeping, so unequivocal that the first thing the administrator under the gun did was to take a deep breath. There was soul searching by assessing officialdom, in fact by all officialdom, and by property owners as well. What could be done--how to do it? What would happen to taxes--would they go sky high? Blame the court, governor, anybody in authority!

The objective was clear enough--attain full value. The bottleneck--time. The administrative problem--technique. On first blush, the solution seemed simple. Apparently the Court thought so too. Assessment ratios had been computed annually for real estate and important classes of tangible property. Therefore, apply the reciprocal of the ratio, as a multiplier, to the assessment of each taxpayer and presto, there is full value. Why not? Multipliers had been used on each property class in each school district to arrive at an equalized tax effort for school aid distribution. But that was different. Applying a multiplier to the assessment of

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of property is one thing; applying a multiplier to the assessment of each property is something else. The inequality problem will not go away.

In large counties, where there is a large number of sales, representative of the class, and where evidences of value--stated consideration in a few cases, but mostly federal tax stamps--are accurate, there is not too much difficulty in determining the average level. However, in many counties, there are few representative sales that may be used as arms length transactions, and federal stamping practice is not uniform by any means.

One of the first things that had to be done was to fashion the best temporary yardstick that could be used to measure approximate prevailing levels. At the time of the Court decision, June 1965, the latest assessment-sales ratio data available were for 1964. The study of 1965 sales was given high priority.

One of the serious administrative problems was how to get organized quickly and how to communicate effectively with the 120 county tax commissioners on the firing line. The department moved on three fronts: (1) prepared technical procedures and instructions for local use; (2) planned workshops for the county

tax commissioners at convenient locations; (3) increased the size of the property tax field staff to provide more technical assistance.

The property tax staff drafted procedures, for converting to fair cash value, for use at the district workshops. The procedures were in detail, but in outline form for easy application by the county tax commissioners. Three procedures were prepared--one for counties with no systematic records; one for counties having had a mapping project; and one for the few counties having had a complete reappraisal. The procedures incorporated the recognized appraisal principle of comparable sales.

The department realized there would be special problems in some of the larger counties. In Jefferson County (Louisville) the most populous area which had very current appraisal records, departmental personnel met with the county tax commissioner and his staff to analyze the problems by districts within the county and

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methods designed to effect an overall assessment at full value. After contact, the tax commissioner restudied his equalization methods and introduced refinements than the department had suggested.

In two of the other metropolitan areas, Lexington and Covington, the department's field staff worked very closely with the tax commissioners in the application of the department's procedures to effect the full value level.

The second largest city, Lexington, was analyzed on a street by street basis and assessments were compared to properties which had sold on those particular streets. In the other large metropolitan area, Covington, sales were gathered for a number of recent years (approximating about 40 per cent of all properties) and appropriate allowances for economic changes were made to update the sales. These sales were then used as a basis for valuing the properties which had not sold, as in all other counties.

County tax commissioners were instructed first to work on the suspected erratic elements whether on the high or low side of the assumed level. As a preliminary step it was suggested that they study the sales of 1963, 1964, and the first half of 1965. Copies of the sales used in the department's studies were made available through the property tax field staff.

In the pre-assessing period (the formal assessment period begins January 1), county tax commissioners were specifically instructed not to make individual assessments final, but to study properties which for any reason appeared out of line with the market value of representative sales in a given area. Departmental field personnel assisted by mapping sales where this had not been done, and by furnishing appraisal guidelines.

Due to the short time available, June to January, and lack of local manpower, a precisely precise and thorough revaluation of each property was impossible. Nevertheless, in most counties, a respectable job was done. The county tax commissioners responded to the challenge and with few exceptions made a sincere effort to

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value. The statistical results are solid testimony of how well they responded. And it wasn't easy. Many property owners who had gotten by with grossly low assessments heaped loud abuse on officials only trying to do their job.

When current market value is the standard, gross inequalities stand out like sore thumbs. Most any property owner can tell the difference between 80 per cent and 100 per cent, but he finds it difficult to distinguish between 20 and 25 per cent, or between 8 and 10 per cent; yet the relationships are identical.

Therefore, I submit that the most impressive case for full value may rest on reduction of intraclass inequalities. The closer the level is to full value, the greater the potential equity. This has been pointed out time and again in assessment literature.

This brings us to the next question.

2. Did the job get done?

With a few exceptions, particularly metropolitan areas, the county tax commissioners completed preparation of the new assessment rolls by May. Then came review

action by the County Board of Supervisors on protests locally. The record shows 16,078 cases were appealed to the local boards out of some 900,000 real estate assessments, or less than two per cent. In two counties there was not a single individual appeal.

By June, review action was finished in most counties. A total of 491 assessments were appealed from local boards to the Kentucky Board of Tax Appeals (an independent quasi-judicial state appeal board). Of these, 297 were by property owners and 194 by county tax commissioners. (Many of these have not yet been decided.)

The recapitalizations, the summary of the assessments, then started coming to the department--for state approval or equalization action.

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... local job was done, but how well? The department's task was to find out. In fact, it had started finding out while the assessment was in process as early as January. The field staff had taken successive samples of assessments, which were carefully analyzed. If the evidence indicated the target was being missed, the county tax commissioner was immediately notified and instructed how to correct the situation. Therefore, the department had a fair idea of what to expect in most counties.

This set the stage for intensive evaluation of all available evidence on which to base equalization action. This was the critical stage, one which presented a public relations problem of no small magnitude.

Should the department hold up announcements of its action until all cases were decided, whether approved or not? Clearly it would be unfair to wait until all decisions were reached. This would seriously delay the rate making and tax billing process which was already in a time squeeze. Therefore, the department adopted a policy of gradual announcement of results of action, both for counties approved and for counties requiring equalization action.

This left the question of how to break the news to counties which did not measure up to the standard. There was much suspense everywhere. How cushion the shock of an equalization notice?

The department adopted a policy designed to inform the key local officials first on a private and informal basis. Members of the property tax staff conducted such conferences, explaining the facts and why the department had to take action. This practice proved to be very effective. First, the county judge, who is the chief county officer, knew about his problem before he received the official notice or read it in the newspapers. Second, he had time to review the situation with local leaders in terms of the facts rather than emotions.

With but few exceptions, this practice led to a meeting of minds and harmonization of state-local interests which smoothed the way for hearings and final action.

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... to get on with the action program. A few statistical highlights will give some idea of how well the county tax commissioners did the job at the local level which is where the individual inequalities must be hammered out.

The record showed, according to the department's best judgment, that 96 out of the 120 counties achieved the court ordered standard or came so close that state action at this time was unwarranted. Equalization action was deemed necessary on the remaining 24 counties. There was an intensive evaluation of the assessment record of each problem county and a determination was made of the required percentage increase necessary to meet the standard for each class of real property. The required percentage increases ranged from ten per cent to 35 per cent. No equalization action was deemed necessary on tangible assessed property.

Of the 24 counties involved in state equalization, three raises were rescinded, three raises were reduced slightly, and two counties appealed the department's final ruling to the Kentucky Board of Tax Appeals. (Hearings on the two appeals are set for October 6, 1966.)

It should be noted perhaps that six counties did not show up for scheduled departmental hearings.

Another kind of statistic sheds light on performance. The value of real estate, assessed locally, as of January 1, 1965, compared with January 1, 1966,

follows:

Class of Real Estate	1-1-65 \$Millions	1-1-66 \$Millions	1966 over 1965
Residential	1,639	5,617	342.7%
Farms - Acreage	788	3,777	479.3
Commercial - Industrial	685	2,243	327.4
Oil, Mineral Rights, etc.	75	174	232.0
	3,187	11,811	370.0

Possibly some \$300 millions could be attributed to normal growth. Only \$127.5 millions, or slightly over one per cent, could be attributed to state equalization

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... the balance was due to county tax commissioner action. Therefore, the county tax commissioners' record seems impressive. There were counties where the assessment jumped from seven to ten times that of 1965. That takes some doing, in any county, in any state!

Again, consider the aggregate change. Residential property increased nearly three and one half times, farm property nearly five times, commercial over three times, mineral rights, etc. nearly two and one half times. This gives some idea of the equalization among classes. Did the job get done? The record is the best evidence that the answer is yes.

The most impressive result, however, was not the overall dollar increase, but the undeniable gain in assessment equity among individuals and classes of property. The purpose of equalization is to achieve equity.

We will be eagerly awaiting the results of the 1966 sales analysis to tell us how close we came to the mark. Since the Census of Governments is using 1966 for one of its periodic nationwide surveys, the results will provide an additional independent check.

Equalization of locally assessed property at full value solves the equalization problem for public service companies and other state assessed property.

This does not mean we have found a perfect solution to valuation of these types of property. In arriving at the 1966 assessment, the department's standard was fair cash value using the methods of valuation previously employed. However, the department is reexamining its methods, giving particular emphasis to the interest capitalization problem. The objective is to use a sound method of valuation that will be fair to the companies within a class, and between classes, and fair to the

... how we come to the third question.

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... the people's acceptable?

... go back to the time of the court decision to analyze the public pulse. The first reaction was shock. This turned to anxiety, to fear, to near panic. ... the millenium had come. Schools would have all the money they wanted with a triple, quadruple, or even higher, assessment base.

With the same rate structure in effect, taxpayers were alarmed at the prospect of a huge increase in tax burden (as a matter of fact, Kentucky property taxes are relatively low). The alarm became so widespread that the governor, and others, urged officials responsible for local rate making to make public statements of their intention to lower rates to acceptable levels. Many local officials responded.

This helped, but the taxpayer reaction grew to such proportions that the governor decided to take direct action. He called the General Assembly into Special Session, August 23, 1965 (adjourned September 17, 1965) for the purpose of reducing rates, although this might have been left to the Regular Session early in 1966.

On the request of the governor, the Department of Revenue prepared what is now known as House Bill No. 1. This Bill provided for:

1. reduction of fixed state rates on real and tangible personality to offset the increase in assessment to fair cash value;
2. roll-back of school, county, and city property tax revenue to the 1965 level, except for revenue from new property;
3. permissive increases of school, county, and city tax levies of not more than ten per cent, for each of the next two years, after public hearing.

}

State tax rates were reduced on real estate from five cents per \$100 assessed value to one and one half cent; on tangible property from 50¢ to 15¢; on farm machinery and livestock from 50¢ to one-tenth of one cent, or virtual exemption.

The reason for the permissive increases in local revenue was that many school districts and other jurisdictions faced financial crises. If a jurisdiction wanted to avail itself of the opportunity for more revenue under this provision,

... hearing and to be held to inform the taxpayers and to get taxpayer views. The permissive increases were limited to general levies, not to voted levies.

As a result of this legislation, public fears were calmed and the department was able to go ahead with the program of technical assistance to help county tax commissioners get ready for the big job of revaluation.

Looking back on the legislative action, I am sure the Special Session was timely, otherwise the continual public clamor might have completely disrupted the assessment process for 1966. Waiting for the 1966 Regular Session might have been too late.

One important problem remained to be dealt with in the Regular Session in 1966. This was the impending shift in tax burdens among classes of taxpayers, for example, the shift from "utilities" to other property owners. These would be more significant in some taxing jurisdictions than in others.

The legislative solution to the "utility" shift required a tax rate on public service company property which would produce in 1966 and 1967 at least as much revenue as was produced in 1965. The result of this action was that no drastic "utility" shift in burden would happen in the transition to full value equalization.

This means there will be two rates for most jurisdictions, one for locally assessed property and a higher one for "utilities." In these jurisdictions, the permissive ten per cent increases in total property tax revenue will be borne by owners of other property until their rate equals that for "utility" property. Thus the differential rate gap should be closed after the two years' transition.

It may be of interest to examine the actual rate changes that resulted from full value assessment. An appended statement shows examples of the new rates for locally assessed real estate for counties which have filed rates with the State Tax Finance Officer.

Is the full value program generally acceptable? The signs point positively. How account for acceptability? Chiefly, because the people are now coming to

... that it is fundamentally right. It is tax justice. Since the tax roll in Kentucky is a public record, open for public inspection, full value assessment is a simple and effective yardstick to measure tax justice.

... the property owner can make an intelligent comparison of his assessment with that of his neighbors'.

... what have we learned?

Looking back over the long, adventuresome, often tortuous road travelled, we sometimes wonder how Kentucky reached the objective. We are not alone--others wonder too.

Kentuckians have had a rewarding experience, a revolutionary experience seldom repeated in such a short span of time. It is not easy to uproot tradition from one end of a state to the other; not easy for a million persons to adjust to new ideas about their property; not easy for all taxing jurisdictions to reorganize their assessment and financial machinery.

There are still a few loose ends to be pulled together. However, at this

... the basic questions have been dealt with and, in my judgment, only practical ones remain.

... What have we learned from this experience? We have learned much, certainly all of it from the Department of Revenue. And this can undoubtedly be said for the county tax commissioners and their employees; for the local boards of supervisors; for county judges and their fiscal courts which had the right to protest state equalization action; and for countless other officials and agencies of government, state and local.

... can be guessed, it took a lot of doing. The doers were many, too numerous to mention. Every property owner and citizen of Kentucky may take credit for what has been accomplished for this was truly an experiment in getting citizens, and officials in counties and cities, villages, and hamlets, to work together for the common good.

... property tax staff of the department put forth a monumental and superb effort. They were ably assisted by many others in the field. For it takes leadership, planning, organization, coordination, cooperation, and vast amounts of patient effort--these are among the things we learned.

... and if it had to be done over, undoubtedly many things could be done better. The department had no blueprint, it had to start from scratch. Imperfections in the result? Yes. These are inescapable in an undertaking of such magnitude. But the imperfections that show up can be much more easily corrected now that there is a firm standard and know-how in achieving it.

... We have learned most property owners are reasonable when given the facts and the opportunity to think them through. Full value assessment succeeded because it made sense to them. What was done was a remarkable tribute to the average citizen's sense of fair play. We like to think of it as democracy at its best.

... We have learned that a full value program is not for the timid, politically, or administratively.

... We have learned that "what thou doest, doest thou quickly" also applies to a full value program. It was probably a wise decision on the part of the court--we didn't think so at the time--to order the job done immediately, that is, at the next assessment period! If more time had been given, strung out over a matter of years, it is doubtful if a better job would have resulted. There would have been a tendency to put off decisions and stultify the whole effort through confusion and uncertainty. Machiavelli was right--cut off the dog's tail all at once, not a little piece at a time.

... Taxpayers have learned something too. They are beginning to know the real value of their property. When the first new county rate was announced a few weeks ago, taxpayers everywhere heaved a sigh of relief. The former 50¢ rate had dropped to 9.9¢!

... We have learned that the legislative program to reduce tax rates is working. The result is that they have more confidence in government generally. The property tax has new meaning for them. The assessed value is a real value. The rate is a real rate. Many have told us that now the tax is understandable.

... county tax commissioners have learned that they are no longer the budget makers under the fractional assessment--maximum rate system. The county tax commissioners plan to be relieved of this pressure and can get on with the job.

... We have learned that anxiety and fear can build up quickly. And when such a disturbance becomes widespread, decisive action must be taken. Mere pronouncements are not enough. In the Kentucky situation, the fear of exorbitant property taxes--psychological rather than real--prompted the legislative action.

...that public policy can be made more acceptable and palatable  
...in an atmosphere of mutual understanding.  
...are some of the byproducts from a response to full value assessment.

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BY HENRI WOLBRETTE II  
EXECUTIVE VICE PRESIDENT  
LOUISIANA CHEMICAL ASSOCIATION

Gentlemen:

I am here today representing a type of citizen in this state, namely, the corporate citizen. I am employed by the Louisiana Chemical Association to represent some 50 corporate citizens whose 60 plants in this state represent a tremendous capital investment, whose payrolls and purchases inject hundreds of millions of dollars into the economic bloodstream of this state, and who pay large amounts of state and local taxes.

Yet, we are a unique type of citizen. We do not have a vote. Taxes may be imposed upon us by a legislature, and we as corporate citizens do not have the opportunity to cast a vote for or against a legislator or a candidate for the legislature; bond elections can be called in local areas, and although we will pay substantial amounts toward retirement of the bonds, we have no vote in the election.

Because of lack of representation at the polls, corporate citizens seek means of assuring some stability in their governmental relations and obligations. They are not unlike other groups in wanting to secure the relative calm seas of constitutional protection. This in no way implies that the corporate citizens I represent have any distrust of the legislature--on the contrary, they recognize that any provision now in the constitution which relates to them is there only because two-thirds of the members of the legislature agreed to put it there and the legislator's judgment was confirmed by those citizens permitted to vote.

Any time the basic document of a state is being rewritten there will be differences of opinion as to what should go, what remains and in what form the material that remains should take.

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One such difference is the administration of ad valorem tax laws in Louisiana and the validity of certain exemptions that presently are bedded in the constitution.

First, let me address myself to the question of equalization. Industry is being accused by some of having engaged in a giant conspiracy to switch property taxes from business and industry to the homeowners. I can only say that Vic Bussie, President of the state AFL-CIO, would be the most surprised man in Louisiana to find out that the suit he filed was really on behalf of the business and industry interests in this state and against the very people he represents.

I can flatly state that there is no conspiracy between Mr. Bussie and the corporate citizens I represent in the matter of equalization of property taxation or anything else.

Further, many of you may remember that in 1966, there was a Governor's Advisory Committee to the Louisiana Tax Commission. That committee made a study and recommended a five-year plan to accomplish equalization of property taxation.

With the exception of the assessors, I was perhaps the most vocal opponent of that particular plan. On April 6, 1966, I spoke at the AFL-CIO convention. What did I criticize in that plan?

- 1) There was no definition anywhere in our laws of what actual cash value was nor any formula telling how to determine it.
- 2) That there was no provision under state law requiring any downward adjustment of operating millages to accompany an upward shifting in assessed valuation.
- 3) That the laws creating the Tax Commission and giving it authority to finally determine valuation nowhere specifies any qualifications for members of that commission, even though we do have qualification requirements in Louisiana for doctors, lawyers, accountants, architects, nurses, barbers, radio and T.V. repairmen, dentists, school teachers, river pilots and cosmetologists.

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But gentlemen, all that is beside the point. A court of law has acted. It has said that our present system of property tax administration is out operating in the manner prescribed by law and, subject to a reversal by a higher court, or statutory or constitutional changes, the question is now moot.

Let us move to Article X, Section 4. As you are well aware, there are 18 subsections, each providing some type of tax exemption. My purpose today is to discuss one of those subsections, No. 10, which is entitled "New Manufacturing Establishments".

Article X, Section 4 (10) is a permissive section of the constitution. In it, the State Board of Commerce & Industry has been granted permission to enter into contracts for a partial ad valorem tax exemption -- with the approval of the governor -- with any new manufacturing establishment or an existing one

Subcommittee on Revenue & Taxation  
By Charles M. Smith, Jr.  
Executive Director  
La. Dept. of Commerce & Industry  
March 30, 1973

Commerce and Industry is among the few state agencies that can claim it generates both revenue and additional taxes for Louisiana.

Today, in Louisiana, business and industry pay more than 75 percent of all state and local property taxes. Moreover, business and industry presently are paying about 55 percent of all state and local taxes, excluding sales tax. These two groups pay taxes at this ratio even with the tax exemption figured in. In terms of actual dollars, Louisiana business and industry pay the ninth highest total in the nation.

Over the past 10 years in Louisiana, industry alone has spent more than \$96.7 million in sales and use taxes. Now industry alone has, during this same period, paid more than \$6.9 billion to its permanent workers and in excess of \$2.5 billion to construction workers. These workers pay sales tax, income tax, property tax and a multitude of other state and local taxes -- adding to the state's revenue and tax base.

I think it incumbent on me to point out, too, that this is new money on which the multiplier effect can be placed. I am told that new money in a community turns over at least seven times and taxes are paid on it all seven times.

It is proper, too, at this time to point out that a good portion of this new money may not have come to Louisiana had we not had the tax exemption law. Industrialists find it pretty hard to justify a tax burden of 75 percent when the national average is 39.5 percent. The only thing that keeps Louisiana in the race for new industry is the tax exemption law.

Then too, cost of the tax exemptions, usually about two-thirds, are concentrated in the 11 or 12 Mississippi River Parishes and Calcasieu Parish. I have worked up a chart on this and attached it to my statement.

Also I have attached a report by P.A.R. that gives an example of the taxes paid by a \$50 million plant. This plant during the first 10 years pays nearly twice as much in taxes as it receives in tax exemptions, and this doesn't include payrolls.

TESTIMONY TO THE  
REVENUE, FINANCE AND TAXATION COMMITTEE  
OF THE 1973 CONSTITUTIONAL CONVENTION

that makes an addition. The terms and conditions of the contract, which must be set by the Board and have the governor's approval, must reflect what the Board "may deem to be the best interest of the state".

We have had seven different governors since the enactment of that Article and I know of no effort by any of them to repeal this Article.

This Article is an inducement. It says we want you to locate your plant or your industry in Louisiana. We want the jobs you will provide, jobs both within your plants and in the service industries needed to supply your needs. We want those payrolls. We want those taxes. We don't want either our resources or our people to be lost to us forever because we cannot provide them opportunities for development here.

I think that the people of this state still want jobs, still want payrolls, still want a better life. And as Mr. Smith, of Commerce and Industry has said, "This is the principal sales tool of your Department of Commerce and Industry."

Why is it so important? Why do we need it as a sales tool?

Because we are in competition with every other state in this union and many other countries in the world. They have certain advantages they offer. We have certain we offer.

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The plant or industry seeking a new location, feeds all these advantages and disadvantages into a computer, and where the card comes out saying this would be the most profitable spot, that is where they locate.

This sales tool, this partial ad valorem exemption, has, along with other advantages we have had, tipped the balance in our favor to the tune of billions of dollars worth of investments.

Now, we are fast losing a lot of the advantages we have had. The Federal Power Commission is certainly hurting us as far as gas availability is concerned; the Congressional laws of water quality, which says you can only put out the same amount of effluent from a plant in Louisiana as in Maine, certainly destroys an advantage we had -- the immense assimilative capacity of the Mississippi; new regulations by the Coast Guard is taking away a great deal of our transportation advantage.

Gentlemen, now is not the time to remove or change the "principal sales tool" we have.

###

Notes for Louis Curet - Attorney for Farm Bureau Federation 3/30/73 - Ad Valorem Subcommittee Hearing

ASSESSMENT OF AGRICULTURAL PROPERTY

I. AGRICULTURE IS IMPORTANT TO THE STATE OF LOUISIANA:

a. Economic Impact

- 1) Value of agricultural products sold each year - Gross Income - \$1,086,000,000.00 (one billion, 86 million)
- 2) Added Value  
By Processing - \$1,531,466,000.00  
Total agricultural income - \$2,618,138,000.00
- 3) Investment in land, buildings, machinery and equipment - \$4,767,000,000.00

b. ENVIRONMENT

Ecology is a big new word in our vocabulary - Green acres purify polluted air through natural action of green plants, transformation process, convert carbon dioxide into oxygen - green acres provide habitat for wildlife. City planners are very conscious of this need and are including open space areas in their plans. London in 1930's - 20 mile swath of open spaced farmland and forest called the Green Belt - John Gunther in his book said "Even the weather has changed".

- c. Water supply - Land in agriculture serves as watershed to collect and conserve water sources of the State. Agriculture conserves more water than it uses. Land is necessary to slow down water runoff, hence reducing floods - also to percolate into ground to replenish underground streams and reservoirs.

II. As Louisiana becomes more urbanized, land becomes too valuable to farm - economic factors demand sale - If farmer can't earn enough to pay for his farm, he can't stay in business. We at the point now where farmer can hardly afford to buy property to farm - If he doesn't already own the land, he cannot go into farming. Department of Agricultural Economics at L.S.U. has compiled statistics to prove this -

Sugar land - Market Price	\$750.00
Value of Land based on capitalization of earnings	300.00

Cotton - Market Price	640.00
Value based on earnings	125.00
Rice Market Price	550.00
Value based on earnings	185.00
Soy Market Price	380.00
Value based on earnings	278.00

THE TAX STRUCTURE IS CRUCIAL - IF HIS PROPERTY IS ASSESSED AT ACTUAL VALUE, HE CANNOT STAY IN BUSINESS

NOW ASSESSMENTS ARE LOW - COURT HAS DECIDED, ALL MUST BE ASSESSED AT 100% OF VALUE - THIS ONE FACTOR OF PROPERTY TAX MAY DETERMINE WHETHER A FARMER STAYS IN BUSINESS OR NOT

Louis Curet - 3/30/73

III. WHAT CAN WE DO ABOUT IT?

Other states have recognized the problem - even urban states like New Jersey adopted constitutional amendments as far back as 1963 - The vote of the people in New Jersey was 2-1 in favor - Mass. 71% in favor, November 1972. As of 1970 Louisiana was one of only four states that had not considered special treatment of agricultural lands. Ala, Ohio, Wyoming and La. Since then Alabama is moving in this direction leaving us with Ohio and Wyoming. - Distribute Literature from other states.

A. We can adopt laws providing that agricultural lands will be assessed according to their use - Common features of laws in other states:

- 1. Owner must apply for special assessment. (not automatic)
- 2. He must be bona fide farmer - must derive certain % of earnings from farming (1/3)
- 3. Land must have been used for agr. purposes for a fixed period to qualify - 2-3 yrs.
- 4. Area must meet minimum size requirement (5 acres) and minimum dollar production (500 gross sales)
- 5. Assessment based on production potential formula rather than market value consideration. Farmland Advisory Com. or Special Commission sets up standards for assessment. Possibilities include:
  - a. Valuation of farm land based on classification and location. Cropland A, B & C - Pasture, A B & C Woodland - Hardwood pine, cutoner, marsh
  - b. Valuation based on capitalized earnings by crop
- 6. Roll Back Tax  
If property sold or used changed roll back tax - paid for fixed period - 3 years.

IV. Justification for special treatment

- A. Necessity - Preservation of lands necessary to provide food and fiber.
- B. Quality of Life  
Social worker said city people need exposure to open air - see hundreds of people lining ditches on Sat. and Sunday crawfishing - people long for outdoor life.

(2)

Louis Curet - 3/30/73

C. Fair Treatment

- 1. Competition with other states - farm operations are mobile - major crops can be raised in different states

If farmer has tax advantage to farm in Miss, Ark or Ala he'll do so.

2. Competition within the state. Why should farmers near urban areas be penalized simply because of this proximity to city - Cities need green belts around them.

D. Open land creates no costs - requires no services -

Such as sewage, water, schools - yet it is taxed to provide these services for others. Ratio of benefits received to tax payments would be unfavorable.

E. Farmers are price takers, not price makers - They can't pass costs on to consumer. Most non-agricultural producers set price for their goods.

F. Compensation for conservation efforts - He's saving something for the future.

G. Renewable resource - not depletable - should be taxed low - Tax base permanent - will be upgraded thru efforts of farmer.

NOTE: We have a Sugar Cane farmer from WBR who can testify first hand about the need for reform in this area - Kenneth Kahao.

This is vital - time too short --

We would like permission to file a written brief with the committee - offer assistance to work with s. ff.

(3)

Average Market Value of Farm Land by Major Commodity\*

Commodity	Value per Acre
Cotton	\$640
Sugarcane	\$750
Rice	\$550
Soybeans	\$380
Pasture	\$275

\* Estimates based on reports by county agents of recent sales.

Estimated Variable, Fixed and Total Costs Per Acre of Sugarcane and Gross and Net Income and Value of at 10%

Item	Value/Acre
Variable Costs <u>1/</u>	215.00
Fixed Costs <u>2/</u>	
Equipment	15.40
3 Tractors <u>3/</u>	12.45
Harvester <u>4/</u>	12.67
Total Fixed Costs	40.52
Total Costs	255.52
Gross Income <u>5/</u>	285.60
Net Income	30.08
Value of land @ 10%	300.80

1/ From 1971 study conducted by county agents and analyzed by Lloyd A. Carville, Specialist, Farm Management.

2/ Estimated from selected studies and estimates.

3/ Tractors valued at \$8,500 - 6 year life.

4/ Harvester \$26,000 - 6 year life.

5/ Yield 27.2 tons @ \$10.50/ton.

Estimated Variable, Fixed and Total Costs Per Acre of Cotton (solid planted) and Gross and Net Income and Value of at 10%

Item	Value/Acre
Variable Costs	170.80
Fixed Costs	
Equipment <u>1/</u>	10.05
2 Tractors	8.25
Harvester	10.25
Total Fixed Costs	28.55
Total Costs	199.35
Gross Income	
Lint - 600# @ \$.30	180.00
Seed - 1,140# @ \$.028	31.92
Total Gross Income	211.92
Net Income	12.57
Value of land @ 10%	125.70

1/ Does not include spray equipment; insect control is by air.

Estimated Variable, Fixed and Total Costs Per Acre of Rice and Gross and Net Income and Value of at 10%

Item	Value Per Acre
Variable Costs <u>1/</u>	\$121.13
Fixed Cost	--
Equipment	10.73
2 Tractors <u>2/</u>	13.90
Combine <u>2/</u>	11.33
Total Fixed Cost <u>3/</u>	35.96
Total Cost	157.00
Gross Income <u>4/</u>	175.50
Net Income	18.50
Value of Land at 10%	\$185.00

1/ From Cash Cost Study, 1971 Crop Year by Lloyd A. Carville, Specialist, Farm Management, Cooperative Extension Service

2/ Based on 450 Acres, Combine \$23,000 - 6 year life, Tractor \$9,500 - 6 year life

3/ Includes fixed costs on machinery only, does not include building or land.

4/ Based on 27 bbl. average yield \$6.50 green weight value for farmers in Cash Cost Study, 1971 Crop Year by Lloyd A. Carville, Specialist, Farm Management, Cooperative Extension Service

Estimated Variable, Fixed and Total Costs Per Acre of Soybeans (with fertilizer) and Gross and Net Income and Value of at 10%

Item	Value/Acre
Variable Costs <u>1/</u>	63.63
Fixed Costs	
Equipment	10.05
2 Tractors	8.25
Combine	10.25
Total Fixed Costs	28.55
Total Costs	92.18

Gross Income - 30 bu. @ \$4.00	120.00
Net Income	27.82
Value of land at 10%	278.20

1/ Based on data from the rice area, 1971 crop year.

Total investment in Louisiana Agriculture and Agricultural Income for 1972 are as follows:

Total value of:	
Land & Buildings	\$4,338,000,000
Machinery & Equipment	429,600,000
Total	\$4,767,600,000

Gross Agricultural Income - 1972

Farm Income	
Crops	\$751,722,000
Livestock	334,950,000
Total	\$1,086,672,000

Value Added by Processing

Crops	
Crops	\$1,326,698,000
Livestock	204,758,000
Total	\$1,531,466,000

Total Agricultural Income \$2,618,138,000

1972 Income and Value Added by Processing for Commodities are as follows:

Commodity	Gross Farm Value	Value Added	Total
Cotton	\$146,366,000	\$11,498,000	\$157,864,000
Rice	110,828,000	24,604,000	135,431,000
Sugarcane	91,491,000	53,065,000	144,556,000
Soybeans	130,650,000	15,678,000	146,328,000
Feed Grain	9,800,000	980,000	10,781,000
Hay	4,125,000		4,125,000
Pecans	6,300,000	7,200,000	13,500,000
Sweet Potatoes	18,574,000	25,600,000	44,174,000
Strawberries	2,909,000	2,909,000	5,819,000
Ornamentals	6,700,000	6,700,000	13,400,000
Tree Fruit	3,804,000	3,804,000	7,609,000
Vegetable Gardens	34,344,000		
Other Horticultural			
Crops	18,374,000	22,500,000	40,874,000
Forestry	167,465,000	1,152,159,000	1,319,624,000
Cattle & Calves	160,000,000	48,000,000	208,000,000
Milk	86,691,000	90,100,000	176,791,000
Horses	14,001,000		14,001,000
Poultry	60,940,000	60,940,000	121,880,000
Sheep	375,000	18,500	391,500
Swine	8,007,000	3,203,000	11,210,000
Fisheries	4,937,000	2,496,000	7,434,000

Massachusetts Land League

LETTER

MARCH 1972

Volume 3 Number 3

### THE FARMLAND ASSESSMENT AMENDMENT

The following change to the State Constitution will appear on the ballot next November in the number 1 position for amendments:

Full power and authority are hereby given and granted to the general court to prescribe, for the purpose of developing and conserving agricultural or horticultural lands, that such lands shall be valued, for the purpose of taxation, according to their agricultural or horticultural uses; provided, however, that no parcel of land which is less than five acres in area or which has not been actively devoted to agricultural or horticultural uses for the two years preceding the tax year shall be valued at less than fair market value under this article.

It is hoped that the voters of the Commonwealth will give strong support to this amendment. The following material is offered in support of this position.

#### What this amendment does and does not do

The amendment authorizes the State Legislature (the "general court") to pass enabling legislation that will require that local assessors value farm lands on the basis of their use as farms rather than on the basis of their "highest and best uses" (including value for development). Until such laws

are passed there can be no change in current assessment practices. The effectiveness of this follow-up legislation will be just as important as the adoption of the authorizing amendment.

The amendment will not provide a subsidy to farmers. Farmlands will continue to carry their full share of the costs of the services they require of the community. A farmer depends on his land, as well as his skills and equipment, to grow the crops and feed the cattle from which he derives his income. When the value of this land is increased by its potential for devel-

Much of this article is based on the 1970 Legislative Research Council's "Report Relative to the Assessment of Agricultural Land" dated February 20, 1970. Certain material has been updated. (ed)

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opment for dwellings, shopping centers or industry his taxes go up far in excess of any increase in crop productivity. This tax increase is often the difference between a continuing farm and a farm that is forced to sell out. The amendment is intended as a tool to help stabilize land use in rural areas.

#### Background of the amendment

The law now requires that all property must be assessed at fair cash value. In practice this value is based on the "highest and best use" for the property in question. In 1961 and in subsequent decisions the State Supreme Court has held that assessments at less than full cash value are illegal. Thus a common practice of having different valuations for different classes of real estate was upset. To date more than half the cities and towns of the Commonwealth have undertaken revaluation programs and the others will be required to follow. The effect of revaluation on farmland has been almost catastrophic as valuations on operating farms are usually based on prices at which similar farms have been sold for development.

Forest land under management is presently exempted from the rule of fair cash value under Chapter 61 as amended in 1969. Rough or wet lands that are part of a farm acreage may also be exempt from regular assessment under Chapter 61.

The current constitutional amendment was introduced in 1969 and was adopted by the full legislature meeting in joint convention by a vote of 221 to 22. The Legislative Research Council study was submitted in February, 1970. The second vote (as required for amendments to be brought to popular referendum) occurred in June, 1970; it was favorable by a margin of 238 to 14.

#### Farming in Massachusetts

There are approximately 900,000 acres owned and operated as farmland in the State. This is approximately 18% of the total area. The 6,200 farms now employ some 15,000 people at peak season, and spend over \$25 million for hired labor. Moreover, income from agriculture contributes annually \$180 million to the State's economy. Of this, \$90 million is created through cultivation of the soil. Dairy products are the biggest in dollar volume. Massachusetts cranberries represent more than 50% of the world's production. We are 10th among the states in apples. Middlesex County alone is 10th of the nation's counties in nursery and greenhouse production.

These figures are impressive but so are the figures of the decreasing number of farms and cropland. From 38,000 farms in 1945 there are 6,200 today. Cropland has shrunk from 626,000 acres to 235,000 during this period. Land that is good for crops is also good for buildings, parking lots, golf courses, airports, cemeteries and most types of development. The

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dollar incentives for farmers to sell out are often very great. When these are combined with externally inflated real estate tax costs the picture becomes even more alarming.

For most of us there is some personal identity with 'down on the farm'. There is the chance to buy fresh corn and other vegetables from the roadside stands. And those mountains of pumpkins and squash before Halloween! The sight and smells of orchards in bloom, of a fresh-cut hayfield, of the rich-red cranberry bogs in October, of cows in an early spring pasture cropping the wildflowers. Here are values beyond reckoning in dollars. We take them for granted and yet hunger for them when buildings or black-top usurp their place. The fields, pastures and woods of our farms are a part of the rural scene which we value and which is a drawing card to tourists.

#### Farmland and open space

At last we have come to realize that open space is a valuable resource, that it is often highly useful in its present form, and that usefulness must be considered in terms of the whole life cycle of which man is but a part. Swamps and wetlands are no longer merely convenient places to dump our tons of rub-

bish but are precious reservoirs for the replenishment of fresh water. Salt marshes are more productive in food for fish and shellfish than are most fertile farms in food for man. In Massachusetts we have some protection for these in the Hatch Act, the Inland Wetland, and Coastal Wetland Acts but these are not fully effective at present.

Even with the adoption of the subject amendment and the passage of laws putting it into effect, the pattern of farming is bound to change. Farms are becoming larger and more mechanized. Silos are giving way to trench storage of silage; large cowbarns are being replaced by open housing of cows and milking parlors. But farmers hesitate to make long range investments in more modern and efficient methods when they don't know from year to year when revaluation or 100% assessment may destroy their profit margin. There are enough uncertainties in farming without the threat of being wiped out by a revaluation in taxes. When new investment becomes too great a risk farms start to run down. The amendment would make it possible for modernization to take place within a relatively healthy farming industry.

Obviously we should not be 100% preservationists about open space. There must be provision for the needs of a growing population in terms of buildings and related development. Dwellings and pavement must be placed largely on what is now open land. By relieving farmers of the necessity of selling precipitously under the pressure of taxes the dangers of a chaotic land market and of haphazard development will be minimized. Moreover, time will be gained during which planning and coordination for future development may take place.

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The next evolution in our approach to space and building will probably be the realization that development must be limited to those areas where it will not severely damage natural resources and where the necessary services are already available or can be provided with minimum expense.

#### Precedents in other states

In 1963 the voters of New Jersey approved, by a vote of two to one, a similar amendment to their constitution. This was followed by a Farmland Assessment Act of 1964. Since that time, the rate of loss of farms has been about 50%. Their farmers are no longer forced to sell their land and can remain in business. To date the few problems of the law have been in administration rather than in the principles involved. These have been of relatively minor importance compared to the results achieved.

The replies to a 1969 questionnaire of the Legislative Research Bureau showed that some form of use-value assessment of farmland is in operation or is being considered in the majority of states. In only four of the responding states is all property assessed uniformly without consideration of the use-value factor.

#### A final note on taxes

Taxes are rising and will continue to do so because it costs more to provide the services that people need. In addition, the more people in a city, town, or state the more different types of services are needed. These services must be paid by taxation. In other words, the more people the higher the taxes. The real estate tax has always been the mainstay of local services which include education. This tax is currently under attack on the basis of providing unequal opportunities for education, and it is likely that more reliance will be placed on other taxes such as income, excise and sales -- and probably others to be conjured up. In any event the property tax is due for change, of which the subject amendment is one step.

It has been shown (in the last two LETTERS and elsewhere) that each new house costs the other taxpayers of a community a subsidy of about \$750. This impact on many suburban towns in recent years has been almost a financial disaster. If farms are forced into large-scale liquidation and are followed by a scattering of residential development the result will be financial distress in many towns and the virtual extinction of the farming industry and tradition in Massachusetts.

The LETTER is the monthly publication of the Massachusetts Land League. Quotation is permitted if credit is given. Items of interest to landowners are welcomed. Robert S. Russell, Editor, 26 Nelson Place, Worcester 01605

*Louisiana Justice Of The Peace And Constables Association*

P O BOX 232  
METAIRIE, LOUISIANA 70004

March 30, 1973

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Mr. Chairman, Members of this Committee

What is actual cash value?

Who determines actual cash value?

Two or more houses can be built in the same square next to each other, one may use weather boards or wood in its structure, the other may use brick and masonry, one could have high ceilings and no air-conditioning, as they would love fresh air, the other may have low ceilings with air-conditioning. One may use glass, metal and possibly gold or silver cover plates over their electrical work and their bath room fixtures, where the other may use plastic or a lessor expensive material, SO WHAT IS ACTUAL CASH VALUE, with the two homes built in the same square or neighborhood? Isn't it a fact that two pieces of property next to and adjoining each other have different values, one has oil under the land, the other has rice growing on the land. Another example, a person who may have had or inherited property, which property was acquired many years ago and which property is in the same status today as it was when first acquired; enjoys the benefit of being wise enough and possibly thrifty enough to have the good Lord bless him with the ability to foreclose to own and keep the land. His neighbor may want to put a like and similar piece of land in commerce, thereby making dollars from his land. Who is to decide whether this is good or bad? We are now enjoying a prosperous and inflated ~~1978~~, it could happen that next year we may be enjoying a

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deflated or low market, thereby reducing the value of property.

Do we raise and lower the actual cash value of property every year? Just what would happen?

In a recent court ruling the judge ruled the property should be placed on the rolls at actual cash value, we all know that all property is not the same. Actual cash value the way I see it is 100% assessment and 100% assessment means higher taxes. I do know this, industry in the State of Louisiana is enjoying a six to seven billion dollar tax relief. I believe that each and every property owner in the State of Louisiana should have their home free from property tax. The reason that I make this statement is that industry has not come into Louisiana because of a tax break, they came to Louisiana because we have the water and other natural resources, climatic conditions and a good labor market. The money that the State of Louisiana is losing from these big industries enjoying a six to seven billion dollar tax relief in my opinion can more than adequately cover the cost of every home having the benefit of free property tax. Yes, I like industry...I support industry and we need industry, but we also need industry to pay its way. Industry is the one who benefits from those educated in our state. It is not to little or to much to be asking that these billions of tax dollars be made available to relieve the home owners and the people of this great State of Louisiana from paying property tax, because when we get right down to the facts, it

*Louisiana Justice Of The Peace And Constables Association*

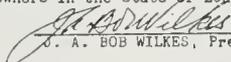
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is the home owner and the families that rent who are the real life blood of this great state of ours. When we talk about properties being placed on the tax rolls at actual cash value we can't get away from taxes, of course when we say taxes, why just single our property tax? Why not group all taxes together and look at a way of revising the whole tax structure. If the people of any parish wants to vote and pay milage for bond indebtedness for services, they should be able to do this. Sure these milages should fall under the homestead exemption program. I do not agree with the court's decision and those who say

we will not have higher and more taxes if all property is put on the rolls at actual cash value. In any other state, county or parish where the decision has been made that property be placed on the tax rolls at actual cash value, this decision then caused CHAOS AND CONFUSION, higher taxes for the property owners, even to the extent of persons losing their property because they could not afford the higher taxes. Yes, the home owner large...medium...small...have suffered while big industry has been tax exempt in the billions...the home owners large and small are the ones carrying the burden.

This committee should study long and hard, then come up with a recommendation to the CC of 73 whereby the home owners would be fully protected, study the actual cash value and 100% assessment, then come up with some fair and equitable solutions for all of the people of the state of Louisiana. I do believe that it would only take approximately 35 to 40 million dollars to completely exempt all home property owners in the State of Louisiana.

  
J. A. BOB WILKES, President

MEMORANDUM OF

Hermann Moyse, Jr.  
President City National Bank, Baton Rouge

in behalf of

the LOUISIANA BANKERS ASSOCIATION  
to the COMMITTEE ON REVENUE, FINANCE & TAXATION

State of Louisiana Constitutional Convention of 1973

Saturday, March 31, 1973  
Senate Chambers  
State Capitol  
Baton Rouge, Louisiana

I am representing the Louisiana Bankers Association, an organization of which I was president some six years ago. We appreciate the invitation to be with you and the opportunity to make our comments. We also appreciate the difficulty of the task which your committee has.

The Bankers Association is interested in and in favor of constitutional revision, constitutional reform and constitutional simplification. From what I have heard while attending this meeting and from what I have heard in just talking with people, you gentlemen are wrestling with the most difficult question of the Convention -- the one that is most involved and most emotional -- the issue on which the adoption of all this work hinges. There is no doubt in my mind but that the question of ad valorem taxation will be vital in determining how people vote. I believe your job is made more difficult by the rapid changes that are taking place, the issue of who can tax what, the decision in State District Court last week on assessments, the changing nature of the Federal decisions as borne out by the California case on school board taxation and the recent decision on the case in Texas, which seemed to some extent to reverse the earlier decision in the California case. We think though that the problem of change in the matter of taxation points out one thing that is vitally needed in the whole approach to constitutional revision and that is the need for flexibility.

We, as bankers, are probably as regulated as any industry in the State with the possible exception of the public utilities. There is a tremendous amount of not only Federal but also State statutory law and administrative law that applies to the conduct of our business. Yet we are not mentioned in the constitution at all. The only reference I can find on banks in the constitution is Article X, Section 9, which deals with taxation of out-of-state banks.

We think that the banks in Louisiana have prospered and have grown. They have changed their function and their services where and when changes have been needed. I think we have improved our services to the community and I think that we will continue to improve our services and to offer new services. We believe one reason for this is that we have been able to have flexibility under the law -- flexibility in our operations, even though regulated, and we think this same

flexibility can and should be carried over into our constitution. We would like to see a simplified document.

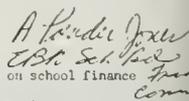
I know that today we are addressing ourselves primarily to the ad valorem taxation problem, and I think that in this area too we need flexibility. Roles of government everywhere, not only in Louisiana, are changing -- new needs, greater demands, greater requests for service. This frequently requires more revenue and higher taxation. Ad valorem taxes still remain the primary source of income for our parishes and municipalities. Sales taxes in most areas are about as high as they can go. It would appear that quite a bit of our future increased revenue will therefore come from ad valorem taxes. We would like, then, to see the municipalities and the parishes have more latitude in their millage rate, but, at the same time, with this greater freedom we want to see a broader tax base.

We believe in and want a homestead exemption; we want a meaningful homestead exemption, but we do not want total exemption for all home owners. The homestead exemption of \$2,000 is too high if properties are put on the rolls at 5% of value. A homestead exemption of \$10,000 would be too low if everything is put on at its true market value. If flexibility is to be given in the taxation rate and if the local governments are going to vote on increasing these taxes, then everybody in the area should feel the impact of the tax. We should not have a narrower and narrower tax base. For example, now the man who rents a home pays ad valorem taxes because the property is on the tax roll and these taxes are as much the cost of renting property as fire insurance or mowing the lawn or keeping up the roof, and, like all other costs, the ad valorem tax is passed on to the renter and, frequently, the man who has to rent needs economic help more than the home owner. If we narrow the base and increase the millage, then we are going to impose this increased millage not only upon business and industry but on a class of individuals, the man who rents his dwelling, to the exclusion of the man who is the home owner. As we become a more mobile society, we tend to have fewer home owners and more home renters. When people move into a community, they frequently rent for a while before they decide upon the area where they would like to live, and young couples rent for a time before they have the wherewithal to start their homes. An unfair impact could fall upon these people. The ultimate course, removing certain wide areas of property from taxation and putting it on only a small few, is irresponsible.

The ad valorem tax is, of course, an expense to business and industry. It can, if raised excessively, become a decisive factor in business or industry location and a deterrent to new enterprises coming into our area. We are interested then in a broad taxation base with a certain amount of rate flexibility.

The banking industry has not only the ad valorem tax upon its real estate but a special ad valorem tax upon our shareholders, which is paid by the bank. It is probably the only tax in which the dollar value of the base can be accurately determined and the rate at which this base is taxed set forth in statutory law. In 1972 we paid an ad valorem tax figured on 38% of our total capital accounts. Obviously, if the millage goes up too high, this tax can become almost confiscatory upon us. At present, the banks are paying through this ad valorem tax a tax in the range of 20% of our after-tax income. We are mentioning this not only to show the effect of ad valorem taxation on us but to point out what could happen if we have a continuous increase in millage without an increase in the tax base.

We hope you gentlemen can find the solution to this difficult, emotional and real problem. The success of all the labors at this convention may well depend upon how well your answers in this area are accepted by the people. We hope that by July -- or whenever the deadline is -- you will come up with a nice, short, simplified document which all of us can understand, and we wish you well in your endeavors. If there is anything we can do to cooperate, help you or supply you with information, let us know.

  
E.B. Sel. Pres. Fran. Com.

In making these comments relative to the possible effects on school finance from the decision of Judge Doherty's decision in Bussie vs. Long, we make no assumptions as to whether or not the order will be appealed and/or sustained, reversed or amended.

It is our understanding of the order that beginning with the tax roll of 1975 all property will be listed on the tax roll at actual cash value. At that point the procedure to be followed is not completely clear to me. R.S. 47:1989 provides that "The lawful authorities of each parish or other subdivision levying, assessing and collecting taxes, shall have full liberty to levy taxes on, and fix valuation at, less than actual cash valuation as they deem fit, provided further, that for local purposes the percentage shall operate equally and uniformly on all taxable property within the parish or other local subdivision on the basis of the actual valuation fixed by the tax commission;". Since there are a number of taxing authorities in each parish it seems that there is a question of how these bodies would jointly determine the percentage of actual cash value to use in levying the taxes. For instance, if the Police Jury wants to set a percentage of 25% and the School Board wants to set a percentage of 20%, how is this question resolved? I think it is also possible to interpret the above quoted language to mean that each taxing authority could establish a different ratio. If this were so, it would make an almost impossible situation for the Assessor, as well as be most confusing to the taxpayer. Possibly the Legislature will amend the law to clarify this point or they may establish a percentage themselves. At any rate the percentage to be applied needs to be determined prior to the levying of the various millages in order that the tax levying body can know how many mills will be necessary to produce X number of dollars. It would actually simplify matter to eliminate this step altogether and simply deal with assessment and millage. However, the Legislature may not be willing to do that.

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It is felt by some that the procedure described will result in a net increase in the value of taxable property placed on the tax roll and therefore increase the amount of taxes collected by School Boards and other taxing bodies. This does not have to happen and between now and 1975 an orderly procedure could be worked out that would maintain the status quo insofar as the total amount of taxes to be collected.

Let's first look at the matter of millage levied for the purpose of retiring bonded indebtedness. Bonds may be issued by a vote of the people to the extent of 25% of the assessed valuation of the taxable property of the district. A question in my mind is whether the 25% limit will be determined by the actual cash value as listed by the Assessor or by that value decreased by the percentage applied before the millage is assessed. In passing, I would point out that it is our opinion that passage of Amendment Number 2 in November of 1972 wherein the homestead exemption was made absolute, reduced the tax base for determining the amount of bonds that could be issued by the amount of homestead exempted property in a given taxing district. In selling the bonds a contract is entered into with the bond purchasers in which the School Board agrees to levy whatever millage is necessary to retire the bonds and pay the interest. It seems to us that this is a highly desirable feature, in that it tends to make the bonds more attractive to potential investors, thereby resulting in a lower interest rate on the bonds. Since millage levied for the purpose of retiring the bonds and paying the interest can be used for no other purpose, the number of mills levied to service the funded debt is regulated automatically. In other words, since the number of dollars needed to meet the annual payments are fixed at the time the bonds are sold, any increase in the taxable base will result in the School Board reducing its millage proportionately.

School Boards may levy a maximum of 5 mills of what is called the Constitutional Tax without a vote of the people. All other millages available to School Boards must be voted for periods not to exceed 10 years. These millages are authorized also as a maximum and are levied annually. It is our opinion that if implementation

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of Judge Doherty's order does indeed result in a net increase in the tax base, that substantially the same reduction in millage will occur in those taxes levied for operation and maintenance as will happen with debt retirement millage. We would recommend and we do believe that the various School Boards would

exercise restraint in levying these millages to produce approximately the same amount of tax dollars. School Board members are elected, you know.

Another aspect of school financing that is affected by disparities of assessment ratios among the parishes is the distribution of the minimum foundation program funds. The formula used by the State first determines the cost of the minimum program for each parish. From this sum the funds available from certain sources to local Boards are deducted before apportioning the balance. Included in the sums so deducted is the proceeds from the 5 mill constitutional tax available to all School Boards. Under this procedure, as you can see, a parish that has a relatively high assessment ratio is contributing more to the equalization distribution than one with a low assessment ratio. If, as I indicated earlier in this discussion, the Legislature established a uniform percentage to be applied to the actual cash value of each assessment roll, this inequity in the minimum foundation program distribution would be eliminated. If on the other hand, an unequal percentage is applied among the parishes the State Board of Education could write into the formula a factor that would bring into balance these different ratios.

In summary it would be our opinion, that if the order stands and is implemented, that there need not be any substantial impact on school financing; however, if the voters become alarmed at the prospect of substantially increased taxes they may react by refusing to renew existing millage for operation and may refuse to approve bond issues in the future. It is also possible that the Legislature could over react and put unnecessarily restrictive conditions on the taxing of property for school purposes. It doesn't need to happen and we certainly hope that it will not.

STATEMENT ON BEHALF OF  
THE SISTERS OF CHARITY OF THE  
INCARNATE WORD OF LOUISIANA  
WHO OWN AND OPERATE THE  
SCHUMPERT MEMORIAL HOSPITAL,  
SHREVEPORT, LOUISIANA

I am Samuel W. Caverlee, a member of the law firm of Wilkinson, Carmody & Peatross, Shreveport, Louisiana. We represent the Sisters of Charity of the Incarnate Word of Louisiana, who own and operate the Schumpert Memorial Hospital in Shreveport, and I appreciate the opportunity of making this statement and asking you to clearly and firmly maintain the traditional exemption which bona fide religiously owned and operated hospitals have always enjoyed in Louisiana.

The Sisters of Charity of the Incarnate Word of Louisiana are a religious organization of Catholic Sisters who, under the direction and supervision of their parent order, the Congregation of the Sisters of Charity of the Incarnate Word, have operated the Schumpert Memorial Hospital in Shreveport, Louisiana, since 1907. In addition, this same Congregation owns and operates St. Patrick's Hospital in Lake Charles, Louisiana, St. Frances Cabrini Hospital in Alexandria, Louisiana, and St. Charles Legion Memorial Hospital in Newellton, Louisiana, and, also, eleven other hospitals and orphanages in Texas, Arkansas, Oklahoma, Utah and California. All of these institutions have been exempt from ad valorem taxation until certain recent action taken by the tax assessor of Caddo Parish.

Schumpert Memorial Hospital is the largest general purpose, non-governmentally owned medical facility in North Louisiana. It treats persons of all races and religious persuasions, approximately 80 per cent of its patients being of other than the Catholic faith. Its present principal building was erected in 1957 at a cost in excess of \$5,000,000, of which \$1,500,000

was raised by public solicitation, approximately \$1,000,000 in Mill-Burton grants, and the balance through the credit and sacrifice of the Sisters themselves. It is recognized as a leader in many medical fields, including psychiatric care, cobalt treatment, and heart and intensive care facilities. It also devotes its facilities without charge to the use of the Nursing School of the Northwestern State University School of Nursing which has an adjoining facility. The hospital is served by a medical staff composed of physicians and dentists from the Shreveport area and in addition thereto, employs nurses, aides, technicians, housekeeping personnel and the like. The Sisters of Charity of the Incarnate Word donate without any personal benefit the services of approximately 25 Sisters who supervise and operate the hospital and who have dedicated their lives to the treatment and care of the sick and infirm and the promotion of medical education and research for the improvement of the health of the community.

The Sisters of Charity of the Incarnate Word of Louisiana is a charitable, nonprofit, religious corporation chartered by the State of Louisiana on June 5, 1913. Since the date of that charter, the Schumpert Memorial Hospital has been carried on the exempt rolls for ad valorem tax purposes in Caddo Parish, Louisiana, and it has never been assessed or paid ad valorem taxes on real or personal property.

Article X, Section 4 of the Louisiana Constitution of 1921 specifically exempts from taxation places devoted to charitable undertakings. We represent that a hospital which is owned and operated by a religious order of nuns, who devote their lives to the treatment of the sick and infirm, with no income derived therefrom accruing to the proprietary benefit of any person or corporation but rather is dedicated solely to the care of the sick and infirm, is indeed a charitable institution. This general premise has traditionally been recognized by all of the assessors throughout Louisiana for over half a century. Even today, with the exception of Caddo Parish, we know of no other religiously owned hospitals which are or are being threatened to be put on the ad valorem property tax rolls. However, the present assessor of Caddo Parish, Louisiana, has stated that a hospital of this kind is not a "charitable undertaking" because it charges "fees" and has assessed the Sisters with personal property taxes for the year 1972 and has publicly stated that he will assess them with ad valorem taxes on their real property for 1973 and thereafter. The Sisters have paid their 1972 personal property taxes under protest and will file in the coming week a lawsuit directed at the recovery of these taxes and a declaration that they are exempt from ad valorem taxes under the Louisiana Constitution because they are indeed devoted to "charitable undertakings" as that term has generally been defined and understood.

Whatever the outcome of this lawsuit, we urge the Constitutional Convention to take note of the fact that at least some assessors throughout the state are and will assess ad valorem property taxes to religiously owned hospitals and

institutions which are not operated in a proprietary capacity, and if it is the wish of the Convention to continue this exemption which has been recognized for over half a century, and which has assisted the Sisters to develop excellent medical facilities throughout the state, to adopt suitable language to clearly set forth that institutions of this nature should not be subject to ad valorem property taxes.

#### MEMORANDUM

TO: Committee on Revenue, Finance and Taxation  
State Constitutional Convention of 1973  
Post Office Box 44473  
Baton Rouge, Louisiana 70804

FROM: Robert L. Roland on behalf of Louisiana Hospital Association

DATE: Saturday, March 31, 1973

Mr. Chairman, members of the Committee, my name is Robert L. Roland. I am the Executive Counsel for the Louisiana Hospital Association and we appear today with reference to the exemption provided places devoted to charitable undertakings (Section 4 of Article X of the Louisiana Constitution of 1921).

The Louisiana Hospital Association represents 98% of the approximately 25,000 hospital beds in the state. The 150 hospitals represented by the Association are operated by the state, by religious orders, by non-profit organizations, and by for-profit institutions--the so called proprietary hospital. For more than 100 years, Louisiana has provided an exemption from ad valorem taxes to places devoted to charitable undertakings and all Louisiana hospitals historically have been construed as coming within the exemption. There was some litigation at the turn of the century involving Hotel Dieu and Touro Infirmary, but the Louisiana Supreme Court confirmed the exemption which has remained unchallenged until recently. At the present time, both the Caddo Parish Assessor and the Louisiana Tax Commission have indicated that they will attempt to place all Louisiana hospitals, other than government owned hospitals, on the tax rolls.

The purpose of our appearance is to say that if this convention believes this long standing policy is to be continued, and we hope it will, then we urge you to incorporate language in the proposed constitution which will confirm the exemption without question. The Louisiana Hospital Association believes that this policy should be continued for these reasons:

1. These institutions are performing a service government would have to perform in their absence, i.e., providing for the health of the state's citizens.
2. If this service is performed by private, for-profit institutions, the already high cost of hospital care would have to be increased to cover the amount of the tax plus an element of profit.
3. These hospitals, for the most part, were built with community funds or by religious groups, or with federal help. Within the corporate documents, their assets are legally dedicated to the relief of those who would otherwise become a public burden. By their charter and in some cases by specific operation of law, if the facilities cease to be operated as hospitals they must be dedicated to similar charitable, scientific or educational uses and may not be distributed to any private person, firm, or corporation.
4. By the use of the exemption, one of the elements of cost is spread over all citizens, instead of merely those who are unfortunate enough to require hospitalization.
5. It is presently the national and state policy, including Louisiana, to exempt such facilities. In 35 of the state constitutions there is a specific provision exempting such facilities and in the remaining states they are exempted either administratively or legislatively.
6. A policy which has proven satisfactory for more than 100 years should not be changed in the absence of strong and compelling reasons to do so.

I am sure some of you at least will question the need for an exemption when all the institutions in question receive a fee from a large number of their patients and the amount of the fee has increased substantially in recent years. We would point out that most hospitals require almost three employees for each bed in the hospital in order to be assured of adequate service to all patients at all times and the amount of the charge and the amount of the fee in no wise covers the cost of operating the facilities. All hospitals, non-profit and proprietary, are reimbursed only a fixed cost for Medicare and Medicaid patients and this means that the paying patients must bear the unreimbursed expense for these other patients which range from 30% to 50% of the total census in any one hospital. In addition, federal regulations require a substantial amount of pure charity services. At the present time, literally hundreds of thousands of dollars in pure charity services are being rendered in the hospitals. Increased governmental regulation daily adds expense to the cost of providing hospital care and if property taxes are to be added, then this additional expense will have to be borne by the paying patients throughout the state.

Accordingly, the Association believes that this Constitutional Convention would be serving the best interest of the public if it makes clear again that hospitals should be exempt from property taxes in order to avoid adding to the cost which must be borne by the government and by the sick. Thank you again for your courtesy in extending us the privilege of making our views known.

Sincerely,

  
Robert L. Roland

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STATEMENT OF DR. CHARLES MACHURDO, LEGISLATIVE CHAIRMAN  
OF  
BATON ROUGE TAXPAYERS EDUCATION ASSOCIATION (TEA)  
TO  
CONSTITUTIONAL CONVENTION COMMITTEE ON PROPERTY TAX

March 31, 1973

Taxpayers Education Association is a grassroots citizens' organization which promotes judicious spending of public funds as provided by law and advocates a fair and equitable tax system.

The hearings I understand are limited to views on the property tax, including equalization of assessments. Patrick Henry said, "I have but one lamp by which my feet are guided, and that is the lamp of experience." So, let us take a look at the experiences of another state--Minnesota--in the aftermath of the 1967 State Legislature's action changing the assessing laws to value property at the "market value."

The property tax became confiscatory. The rates were so high that people had to give up ownership of property. Many people lost their homes. Many young people couldn't afford to buy a home. Many senior citizens were forced to sell their homes and move to a high rise or go on welfare. As inflation, the cruelest tax of all, and other taxes increase, how can the great class of hard-working, tax-paying Americans of Minnesota handle their loan payments (with property tax assessment at 100% of market value) and the house payments too?

Mrs. Jean Van Poperin, Chairman of the Concerned Taxpayers of Minnesota stated that one concerned citizen told her: "If I pay this year's real estate taxes I am finished and unless taxes are rolled back, home ownership will be a thing of the past." This sentiment has been repeated overwhelmingly all across Minnesota. Here are a few of the sentiments expressed by members of taxpayers' associations. One Minnesotan said: "I've seen statements with about 100% increases in taxes over last year. The legislature must establish a limit on real estate taxes. If this does happen, there will be a mass protest by taxpayers in Chisago County. Some may withhold payment of their property taxes. And another taxpayer said: "There is a saturation tax point and we have it." And still another stated: "We're trying not to ruin any local community. We're trying to save the State. Taxes must be lowered. Otherwise they will take your home; they will take your farm; they will take your business. There is no limit to how taxes will go."

At a news conference following the court decision mandating equalization of assessments for property taxes, Governor Edwards said he could foresee huge property tax increases all over the state as a result.

And how can those who have rental property continue renting in the face of federally-imposed rent controls and state-imposed confiscatory property taxes. They will be caught in a vise and will lose their property.

There are those politicians who contend that Louisiana will not undergo the experiences of Minnesota and other states which have equalized assessments at 100% of the market value because, as they say, we can trust them, the politicians too keep this from happening in Louisiana. To this contention we remind them that a purpose of the fundamental law is to limit the powers of government, for as Jefferson

said: "In questions of power let no man be heard of confidence in man, but bind him down from mischief by the chains of the Constitution." If you don't limit the powers of government, then its powers are limitless.

The private ownership of property has helped make this country great. Taxpayers Education Association believe that government should promote private ownership of homes, farms, and businesses--not destroy private property through confiscatory property taxes. We oppose any plan of equalization of assessments of property at 100 percent of cash value being placed in the Constitution. We endorse the property tax recommendations of Dr. Lawrence L. Chahard of Jefferson Parish.

In conclusion, we strongly urge that limits be placed on the taxing power of government by specific provisions in the Constitution; otherwise, Taxpayers Education Association will have to work for rejection of the Constitution when it is presented to the people.

ADDRESS OF MRS. J. E. REESE, JR.  
Research Chairman of the Taxpayers Education Association  
To: Subcommittee on Ad Valorem Taxes March 31, 1973

I am Mrs. J. E. Reese, Jr., Research Chairman of Taxpayers Education Association. At the last meeting of the officers of this organization, we wholeheartedly endorsed the property tax plan of Jefferson Assessor, Lawrence A. Chahardy, to do away entirely with ad valorem taxes on a mans home. We agree with him that equalization is a vicious plan of assessing our homes and other property at 100%, and we have no doubt that this will result in higher taxes. The home owner is now carrying the load. Why not let industry pay their fair share of tax?

Our total wealth will be put on the line for the spending arm of government to take supposedly only what they need. But who is to make this decision? The home owner is more interested in spending his own money as he sees fit, rather than have the City-Parish Government decide for him that we need more parks, and the School Board, more luxuries for schools that have ceased to teach our children the 3 R's. We are being asked to trust the School Board and City Parish Government, not to impose confiscatory taxation on us. But I come here today to say that in view of the past actions of that body, we do not trust them.

The Equalization Plan would bring on such a tremendous tax burden that the small property owner would no longer be able to own his own home, for we would be on the road to bankrupting a large percentage of our home owners.

Taxation without representation was what the Boston Tea Party was all about. As the country began with rebellion against unjust taxation and tyranny, it may well have to be saved and preserved by the same means. With this in mind, the Taxpayers Education Association will continue to work to kill this plan for equalization of assessments.

We wish to thank you for this opportunity of expressing our views.

JIM WARE COMPANY  
WATER AL HANDLING INSTRUMENTS  
P.O. BOX 15411 TELEPHONE 504 926-6097  
BATON ROUGE, LOUISIANA 70815

March 31, 1973

Constitutional Convention  
Attn: Ms Audrey LeBlanc, Coordinator  
Committee on Revenue, Finance, and Taxation  
Box 444473  
Baton Rouge La 70804

Gentlemen:

This is to confirm the statement I made to you in person on Saturday, March 31, 1973, in the afternoon meeting.

The Better Baton Rouge Committee, of which I am chairman, was formed to oppose local tax increases, specifically, a one-cent sales tax increase that the city--parish council enacted without a vote of the people and immediately used for two projects that the people had voted against. We note that in other cities, increased taxes have driven people out--for example, New Orleans--and we believe that by working to keep taxes from going up, we are working for a Better Baton Rouge. Hence our name, Better Baton Rouge Committee.

In Baton Rouge, there is an 8-mill city property tax, and a total of 16 mills of parish taxes, that are specified at some maximum millage, and which I will call "pay as you go" taxes.

There are other ad valorem taxes to pay off bonded indebtedness of the parish (and of the East Baton Rouge Parish School Board), so the total ad valorem tax here is 48.8 mills (as of 1972).

Re-assessing property at actual cash value would reduce the millage required for debt service--but only that millage. Re-assessment would not affect the pay-as-you-go taxes that make up nearly half the total tax. We believe you should insure that all millages be reduced in the same ratio that total assessments are raised.

We propose the following language:

"If property is re-assessed under any court order, then each taxing authority shall reduce its millage rate so that its total ad valorem tax revenue shall not be increased by the

re-assessment, and the reduced rate shall be binding on the taxing authority from thence forward. No taxing authority shall levy any new tax or increase any existing tax except when authorized by a majority of voters in a tax election."

JIM WARE COMPANY  
MATERIAL HANDLING INSTRUMENTS  
P.O. BOX 15411 TELEPHONE 504 926-6097  
BATON ROUGE, LOUISIANA 70815

March 31, 1973

Constitutional Convention  
Attn: Ms. Audrey LeBlanc, Coordinator  
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We ask you to note that this language does not prevent taxes from being raised in a tax election, but it does prevent any taxing authority from making itself a "windfall" out of court-ordered re-assessment.

Sincerely yours,  
BETTER BATON ROUGE COMMITTEE

  
Jim Ware, Chairman

### 3. Subcommittee on Revenues Other Than Property Tax

#### MINUTES

Minutes of the Meeting of the Subcommittee on Revenues,  
Other than Property Tax, of the Committee on Revenue,  
Finance, and Taxation

Senate Chamber of the State Capitol, Baton Rouge,  
Louisiana

Saturday, March 17, 1973 10:45 a.m.

#### Present

Risley C. Triche  
Sen. J. D. DeBlieux  
Charles Slay  
Dr. Claude Maubertret, Jr.  
Lawrence Chehardy  
John Clyde Fontenot  
Autley B. Newton  
J. A. McDaniel  
Walter J. Champagne, Jr.

#### Absent

Sen. Samuel B. Nunez, Jr.  
Arthur J. Planchard

The subcommittee was convened by the Temporary Chairman,  
Mr. Slay. Mr. Risley C. Triche was elected permanent chair-  
man and Dr. Claude Maubertret, Jr., was elected vice-chairman.

The subcommittee requested that the Research Staff:

- (1) Prepare necessary data for study on the limitations of  
the Legislature's taxing power;
- (2) Prepare a comparative study of revenue sources of those  
states surrounding Louisiana.

The subcommittee also directed the Staff to ask Senator  
Rayburn include in the official notice of the April 13-14  
meeting of the Committee on Revenue, Finance, and Taxation,  
a notice of this subcommittee's meeting on the same days  
and to provide information necessary for inclusion on the  
agenda. The Staff also is to arrange for a meeting room  
for use by the subcommittee during the April 13-14 meeting.

There being no further business, the subcommittee ad-  
journed at 12 Noon.

Risley C. Triche, Chairman

#### MINUTES

Minutes of the Subcommittee on Revenues Other  
than Property Taxes of the Committee on Revenue,  
Finance, and Taxation

Held pursuant to notice mailed by the Secretary  
of the Convention on March 22, 1973  
State Capitol, Baton Rouge, Louisiana, Room 211  
Tuesday, March 27, 1973, 9:00 a.m.

Presiding: Risley C. Triche, Chairman

#### Present

Risley C. Triche, Chairman  
Senator J. D. DeBlieux  
Charles Slay  
Dr. Claude Maubertret, Jr.  
John C. Fontenot  
Autley B. Newton  
J. A. McDaniel  
Walter J. Champagne, Jr.  
Senator Samuel B. Nunez, Jr.  
Arthur J. Planchard

#### Absent

Lawrence Chehardy

Chairman Triche called the meeting to order at 9:10 a.m.  
and, following the roll call, the agenda (as attached) was  
adopted.

Mr. James Norris, senior research assistant, provided  
a brief review of the basic constitutional and statutory  
provisions authorizing state taxes, their collections, and  
revenue sources. Mr. Norris cited lists contained in the  
Thirty-Second Annual Report of the Department of Revenue  
(p. 15), the Department of Revenue's "Tax Guide" (p. 73-75),  
and the 1972-73 "State of Louisiana Budget" (pp. 10, 11).  
The subcommittee requested that the staff compile a complete  
chart of all fees and taxes collected by the state, by which  
agencies, authorization information (constitutional or stat-  
utory), amounts and dedications.

Mr. Norris pointed out that presently the Department of  
Revenue collects more than one billion dollars annually; and  
approximately seventy-five percent of all state revenue is  
collected by the Department of Revenue.

Possible issues were raised in the discussion of income  
tax and other growth taxes: Does the legislature have authori-  
ty to change income tax rates and other similar taxes; is the  
taxing situation adequate for present and future needs, will  
the committee recommend change in the tax structure; will the  
constitution provide for such change; should the constitution  
authorize the legislature to set or change taxes by simple  
majority?

Mr. Champagne recommended deletion of all provisions  
which need not be included in the constitution; to protect  
the people and assure them against legislative irresponsibility.  
Mr. Champagne recommended super code which could include all  
provisions which should require 2/3 majority of legislature  
to alter.

Mr. Planchard recommended that the research staff study  
the mechanics of providing for such a "Code" by constitutional  
authority.

Mr. Norris was asked to compile a list of dedications  
which cannot be altered or eliminated from the constitution.

Article X, Section 1 was noted as being the general

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authority of legislature for levying taxes. Certain specific  
authority is granted elsewhere in constitution, i.e., income  
tax, etc.

Following the subcommittee's brief discussion of the  
history, authority, regulation, and collection of income,  
sales, and severance taxes, Mr. Planchard requested that  
representatives of the Forestry and Tax Commissions, which  
execute severance tax reforestation contracts, appear before  
the subcommittee to explain their roles and functions.

Mr. Champagne asked how the subcommittee was to determine  
the sufficiency of various tax rates. Mr. Triche asked if

the constitution must necessarily provide specifications regarding severance tax. He mentioned that Article X, Section 21 sets the primary limitations. The gasoline tax was determined to have constitutional levy limitations and, although the revenue is dedicated, the tax could be covered by statute rather than the constitution.

Mr. W. T. Taylor, director of the Department of Highways, was introduced by the chairman. Mr. Taylor introduced the department's General Counsel, Phillip Jones, and Traffic and Planning Engineer, Grady Carlises.

Mr. Taylor briefly outlined the function and operation of the department's General Highway Fund and revenues dedicated to this fund. He strongly recommended that the General Highway Fund and all existing dedicated revenues remain in the constitution. Mr. Taylor said the department preferred not to be wholly dependent on the legislature and, he pointed out, there were still a number of bonds outstanding which are backed by the constitution.

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Mr. Taylor explained the function of the "long-range" highway fund and bonding provision applicable thereto.

Mr. Triche expressed concern about the constitutional provision which establishes the General Highway Fund (Article VI, Section 22), and references therein enumerating the fuels included in the gasoline tax and various specific time and levy limitations.

Mr. Phillip Jones conceded that there were doubtlessly some obsolete provisions in the General Fund sections.

Mr. Mauberret asked if there are any provisions in our present constitution to protect bond holders. Mr. Jones answered that such bond holders are protected in the constitution and such provisions were included in the bonds' contracts. Further, Mr. Jones cautioned, if such provisions were deleted from constitutional guarantee, contracts would be breached.

Mr. Planchard asked if the department's dedicated funds must be in the proposed constitution as now existing in the constitution of 1921. Mr. Jones said yes; such inclusion was necessary so that obligations could be met.

Mr. Champagne asked if the department would agree to a constitutional provision providing for dedication of funds, but allow amounts to be specified in "code," which could be amended by 2/3 vote of the legislature. Mr. Taylor agreed such designation would be acceptable.

Mr. Jones concurred with Mr. Taylor, but reiterated the necessity for constitutional provision for dedication.

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Mr. Taylor pointed out that the department was itself not responsible for collection.

Mr. Taylor was asked to supply data on the outstanding bonds, the range of obligations of the highway fund, and a schedule of the bonds' retirement dates. The "Schedule of

Bonds Outstanding and Bond Interest from July 1, 1972 to Maturity" was distributed and is included herein.

Mr. Jones referred to Article IV, Section 2, saying that the highway board would not impinge on dedicated funds, that these were expressly dedicated for the retirement of bonds, and should later be used for the operation of the highway department.

Mr. Taylor expressed the need for recurring revenue to insure the continual operation of the department.

Mr. Norris asked how strongly Mr. Taylor was opposed to removing dedications from the constitution if bonds were backed by the full faith and credit of the state with two-thirds legislative authority. Mr. Taylor said he preferred the constitutional mention rather than relying on legislative action.

Senator Nunez suggested that perhaps a percentage rather than exact dollar amounts be used to set rate of taxation to accommodate changing economic conditions.

Mr. Triche expressed the possibility of increasing the three-dollar motor vehicle license.

Secretary of State Wade O. Martin then addressed the subcommittee's attention to the collection of corporation and

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franchise fees as covered in the operation of his office.

Mr. Martin stressed that all monies collected by his office were actually fees and not taxes, and reviewed a chart of those "fees" as attached.

Mr. Champagne asked if the secretary of state set the amount. Mr. Martin replied that they are set by the legislature on his office's recommendation.

The fees, Mr. Martin reported, were usually sufficient to cover the collection expense. He stated further that the elections office requires approximately two million dollars for its operation.

Mr. Slay asked that Mr. Martin and each witness appearing supply the subcommittee with a draft of his recommendations, or constitutional provisions for consideration by the subcommittee. Mr. Martin said he would supply such before Friday, March 30, 1973.

Messrs. Larry Cook and Joe Herring, fiscal officer and collections department manager of the Wild Life and Fisheries Commission respectively were next to appear.

Mr. Cook began, stating that the Conservation Fund and revenues collected by the department generated approximately thirty million dollars to the General Fund, that all authority for collection came from the statutes, and that the department collects all of those specified except royalties on mineral land.

Mr. Cook reported that the "Sporting License" fees were collected partially by the department, and partially by the sheriff, who in turn transmits those funds to the state treasurer's office.

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Mr. Planchard asked if that department considered provision for taxes necessary in the proposed constitution.

Mr. Cook replied that a general provision authorizing the department to collect taxes and license fees would be sufficient, if all were specified. Such specification would be necessary, Mr. Cook reported, in order to maintain the integrity of the Conservation Fund.

Mr. Champagne asked if the department expected revenues to continue to rise. Mr. Cook said that there would probably be a gradual incline in such collections as the "Sporting License."

Mr. Triche pointed out that there were no limitations in the existing constitution relating to such taxes, and suggested that it might be advantageous for the conservation board to set fee amounts pertaining to the taxes within its purview, which presently it has no authority to do.

Mr. Triche asked if collections might be more successfully achieved by the Department of Revenue. Mr. Cook responded that perhaps it would be possible and feasible, but that the department was accustomed to collection duties and that he could foresee no problems.

Senator Nunez asked for a breakdown as to the Conservation Department's cost of collecting ten million dollars. Mr. Cook said that the cost was approximately one-hundred thousand dollars annually or about ten percent.

Mr. Cook was asked to supply the subcommittee a statement of taxes and fees, their uses, and the department's overhead cost of collection.

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The Department of Public Safety was represented by Mr. Larry Messina of the state police, Mr. John Politz of the motor vehicle division, and Mr. James H. Morgan of the license control and drivers improvement division.

Mr. Messina reviewed the attached statements of revenues and authority for collection of such revenues, and stated that there appeared to be no reason for constitutional inclusion of taxes. He further reported that the fees are probably low and that the legislature sets fee amounts.

Mr. Politz reported that the motor vehicle division issues license plates, temporary markers, title and mortgage fees, and dealers permits. He said the department collects close to eighty-one million dollars annually, with twenty-seven million dollars collected directly. The cost of such collections, he said, was approximately five million dollars.

When asked for recommendations, Mr. Politz said the division's only real requirement was more employees. The subcommittee asked to be supplied with an organizational chart of motor vehicle division and the Department of Public Safety.

Mr. Morgan reported that the driver's license division's annual budget was four hundred, ninety thousand dollars which was entirely derived from driver's license fees, and reviewed the attached chart listing those fees specifically; authority for collection is statutory and provided for in the constitution, Article X, Section 1. Fees are set by administrative regulation.

Representatives of the Department of Revenue appearing included Deputy Collector of Producer Taxes Sam Wimbish, Jr., special projects director William E. Tuttle, and Severance Tax Division Director Kenneth L. Canik.

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Mr. Wimbish reported that forty taxes were presently collected by the department, and was asked by the subcommittee for a list of those cited in the constitution. Mr. Wimbish said such a list would be supplied. Article VI, Section 26 was cited as authorization for the office of collector of revenue.

Mr. Triche suggested that regulations on the collection of gasoline and similar taxes might be more appropriately set out in legislation, saying that presently nineteenth century fees and taxes were included in the constitution.

Following a brief discussion on the feasibility of centralization of all tax collection by the Department of Revenue, Mr. Wimbish replied to questions that in most cases centralization was feasible. He cited exceptions such as the recent shift on vehicle sales tax collection from the Department of Revenue to the motor vehicle division of the Department of Public Safety.

Referring to the inheritance tax collection, Mr. Champagne asked whether adequate guarantee for appeal by the taxpayer was presently evident, and what was the taxpayer's remedy if he doubted the assessment or wished to appeal. Mr. Wimbish said that presently a letter was sent to the taxpayer giving notice of assessment and right to a hearing. The taxpayer could appeal to the Department of Revenue and after that to the Tax Commission.

Mr. Champagne expressed his thoughts that there was no real procedure in the collection of sales tax on food and drugs, that regulations existed which could not be enforced.

Mr. Wimbish replied that in most instances that was an across the board issue. He further pointed out that collection of excess must be remitted to the state.

Mr. Slay asked why there was no outline of all taxes and

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licenses required by law. He said that such an outline should be furnished all businessmen. He then suggested that Department of Revenue supervise all collections.

Mr. Wimbish said that the department's "Tax Guide" was designed to meet the businessmen's needs and, in the second instance, the department would study the idea and so recommend the appropriate action to the legislature.

Mr. Triche suggested that the subcommittee might consider providing in the proposed constitution that the collector of revenue's scope include those taxes which are now collected piecemeal by other agencies.

The subcommittee asked that the Department of Revenue recommend in writing what changes it would prefer for inclusion in the constitution, and asked that the department be invited to appear when the subcommittee reviewed the exemption provisions.

Mr. Tuttle reported that the constitution provides that the collector of revenue is responsible for the collection of all taxes, with many exceptions and exemptions, citing Article

X, Section 8, which was enacted in 1934 and considered to be outmoded. One exception, he pointed out, was the occupational license law, which is statutory in authority.

Another example, Mr. Tuttle specified, was the state's income tax law. Enacted in 1934, its taxing rate was not to exceed two percent. He said such limitations can cause serious problems.

Mr. Champagne commented that more income tax revenue had been collected since the federal income tax exemption was removed.

Mr. Tuttle said that the theory behind the Department of  
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Revenue's collection of taxes was that it was more efficient and provided a better management of the cash flow, and suggested that there be a common tax period identification process with occupational licenses included and that punitive provisions be eliminated. He concluded that there was much to be said for centralization of collections, but such always were not feasible.

Perhaps, Mr. Tuttle and the subcommittee further concluded, there was need for a revenues and taxation review body with "constant review and authority to move," and consisting of perhaps the state treasurer, the collector of revenue, and others as members.

Another possible change to be considered, Mr. Canik suggested, was the limitations on the sulphur severance tax rate, set at one dollar and three cents (\$1.03) per long ton in 1940. This, he said, might now be unrealistic, since the value of sulphur was appreciably increased. Likewise, he reasoned the tax might need to be increased.

Mr. Canik explained that the severance tax (Article X, Section 21) specified quantity or value at time and place of severance. Realistically, he cautioned, the tax should be formulated on value.

Because of the two-thirds legislative approval requirement on tax changes, Mr. Canik thought it might be more realistic to allow the legislature to set tax based on value, which would allow tax to fluctuate with value. At present, he said, the rate was static.

Mr. Canik voiced his opinion that perhaps the constitution should prohibit the legislature from acting by resolution on tax matters, pointing out that resolution to suspend a tax  
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required only a simple majority, while levying a tax required a two-thirds vote.

Mr. Champagne suggested that it was possible for the subcommittee to study tax formulas and limitations for inclusion either in the constitution or by the "code" approach.

Mr. Canik said there should be no other tax on oil or gas, that the gas severance tax and the gathering tax on oil were specified in the state constitution, and he referred to the commerce clause in the federal constitution.

Mr. Canik said the department was presently attempting to collect severance tax on sand, but found it the most difficult tax to collect.

Mr. Canik also pointed out that the former Conservation Department was given constitutional dedication of the mineral land royalties, but that the Wild Life and Fisheries Commission took the royalties dedication with it when the two were divorced. It might avoid conflict, Mr. Canik reiterated, if one collection agency was authorized.

The appearances by invited speakers being concluded, the subcommittee decided that at 8:30 a.m. on Thursday, April 5, 1973 it would reconvene to study and hear reports from the Forestry and Tax Commissions on the timber severance tax, the Department of Revenue on exemptions, the Mineral Board on oil and gas severance taxes, and reports on local taxation from the Police Juries Association and the Louisiana Municipal Association, with a view towards hearing the public view on such taxes on April 13 and 14, 1973.

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The staff was asked to arrange for the April 13 and 14, 1973 meeting.

The subcommittee decided to adopt May 15, 1973 as its target date for completion of first proposals.

There being no further business and no objection to the motion, the subcommittee meeting was adjourned at 4:30 p.m.

Risley C. Triche, Chairman

#### NOTES

The Schedule of Bonds Outstanding cited in the Minutes as attached is not found in the Committee files.

#### SECRETARY OF STATE

Statement of Fees and Taxes Collected by the Secretary of State for Fiscal Year Ending June 30, 1972 as Taken from the Report of the Legislative Auditor that date.

The following is a list of the fees, charges and taxes which are collected by the Secretary of State:

<b>TAXES</b>	
Incorporation tax - domestic	\$ 85,696.00
Incorporation tax - foreign	33,945.00
<b>CORPORATION FILING FEES</b>	
Incorporation filing fees	112,970.75
Nontrading charters	1,094.00
Certificate of authority	5,548.00
Initial report	25,605.00
Certificates	60,844.45
Certified copies of charters, etc.	87,024.90
Powers of attorney	732.00
Name reservation fee	17,915.00
Resignation of agent	1,275.00
<b>OTHER FILING FEES</b>	
Trade Marks	5,755.00
Proces verbaux	1,667.00
Notarial bonds	1,596.00
Leaves of absence	72.00
Sales of Revised Statutes	1,359.25
Miscellaneous	310.45
Corporation Annual Report	150,916.00
Service of Process	33,412.00
<b>CANDIDATES' DEPOSITS</b>	
	<u>25,148.00</u>
<b>TOTAL</b>	<b>\$652,885.80</b>

Receipt of sale of acts remitted to  
Supreme Court

3, 668.30      \$656,554.10

By far the greatest number of these collections are for services rendered by the office. The only cases in which a tax is collected is a small incorporation tax based on a one-time payment on authorized capital when a charter is filed, and when authorized capital is increased. These taxes represent 18.32 percent of the total collections.

With regard to fees and services, all funds being collected "for services rendered" should continue to be collected at the time and in the place where the service is rendered. The same is true of the amounts collected on the "corporation tax", because the service far

outweighs the collection aspect, and it would be a tremendous inconvenience and waste of time and effort to have such services performed in one place and the fees or charges collected in another.

All funds collected were transferred to the general fund of the state with the following exceptions: \$46,297.00 out of the collections from the collection of Corporation Annual Reports which amount was used with the approval of the Legislative Budget Committee and the Commission of Administration for the purpose of collecting this fee (Act 632 of 1970).

Of the total collected for the Service of Process fees, \$33,412, all of this except \$930.21, was used in operating this department under the authority of Act 58 of 1954.

LOUISIANA LEGISLATIVE COUNCIL

Memorandum

November 27, 1972

CONSTITUTIONAL AND STATUTORY DEDICATIONS

Source of Revenue	Agency to which Dedicated	Amount of Dedication	Citation
Average tax on forest and cutover lands	Forestry Funds	All proceeds	R.S. 56:1524
Alcoholic Beverage Tax (Low alcoholic content)	Veterans Bonus	All (Any residue to State General Fund)	R.S. 26:460(A)
(High alcoholic content)	City of New Orleans	\$700,000 annually	R.S. 26:460(C)
	State General Fund (For purpose listed and enumerated in Act 211 of 1970)	Amount of tax increase provided in R.S. 26:341(1)	R.S. 26:460(D)
	State General Fund	Remainder	R.S. 26:460(B) (Act 11 of 1972 E.S.)
Auction Sales Tax	Charity Hospital at New Orleans	All proceeds	R.S. 5:363
Corporate Franchise Tax	(1) Bd. of Admin. of Charity Hospital at New Orleans (2) Governor (3) LSU	\$1,000,000 \$40,000 for law enforcement (a) \$350,000 capital construction (b) \$1,217,000 maintenance and capital construction	R.S. 47:615(1), (2), (3) R.S. 47:615(4) R.S. 47:615(5)
Excise License, Insurance Tax	LSU	\$1,000,000	R.S. 22:1075
Fees and Charges of Dept. of Conservation (Drilling permit fees)	Dept. of Conservation	All proceeds for expenses of adminis- tering regulatory provisions of Dept. of Conservation and La. Geological Survey	R.S. 30:21

Source of Revenue	Agency to which Dedicated	Amount of Dedication	Citation
Fire-works Tax	Fire Marshal	All	R.S. 51:656
Gasoline Tax	General Highway Fund	All	
4¢ tax	(a) General Highway Fund	1/2 of proceeds	La. Const. Art. VI, §22(a); R.S. 47:727(A)
1¢ tax	(b) Bd. of Comm., Lake Charles Harbor & Terminal District	1/20 of proceeds	
	(c) Bd. of Comm. Port of New Orleans	9/20 for retirement of bonds, remaining balance to (d) for bond payments not to exceed \$30,000,000	La. Const. Art. VI-A, §5; Art. VI, §22; R.S. 47:727
	(d) General Highway Interest and Redemption Fund		
2¢ tax	(a) General Highway Fund	1/2 of proceeds	La. Const. Art. VI, §22 (a); R.S. 47:727(B)
1¢ tax	(b) Parish One Cent Gasoline Fund	1/2 of proceeds	
	La. Bond Security and Redemption Fund	Proceeds for bond retirement, excess avails to General Highway Fund	R.S. 47:727(C)
Income Tax	(1) Bond Security Redemption Fund	\$1,000,000	R.S. 47:285
	(2) State General Fund, for purposes enumerated in Act 211 of 1970	Amount from repeal of federal exemption	R.S. 47:285.1
	(3) State General Fund	Remainder	R.S. 47:285
Lubricating Oil Tax	General Highway Fund	All proceeds	R.S. 47:745
Motor Carrier Regulatory Tax	Public Service Commission	All - for enforcement	R.S. 45:169.1
Foreign Fire Insurance Co. Tax	Except in Orleans Parish, volunteer fire departments	All on business done in particular municipality or district	R.S. 22:1585
	In Orleans Parish, Firefighter's Pension and Relief Fund of city of New Orleans	All on business done in New Orleans	R.S. 22:1585
Horse Racing Tax			
1. Races held in municipalities and parishes with a population over 450,000	(a) Louisiana Legislative Council	\$250,000	R.S. 4:163(A)
	(b) Municipality or parish in which track is operated	\$1,394,000	
	(c) Isaac Delgado Trade School	\$110,000	

Source of Revenue	Agency to which Dedicated	Amount of Dedication	Citation
Horse Racing Tax (Cont'd.)			
2. Races held in municipalities and parishes with a population under 450,000	<ul style="list-style-type: none"> <li>(d) Board of Supervisors of LSU</li> <li>(e) Capital Construction and Improvement Commission</li> <li>(f) Southern University B.R.</li> <li>(g) Southern University N.O.</li> <li>(h) LSU N.O.</li> <li>(i) State General Fund; on and after July 1, 1973, 1/2 to State General Fund and 1/2 to city or parish</li> </ul>	<ul style="list-style-type: none"> <li>\$915,000</li> <li>\$500,000</li> <li>\$70,000</li> <li>\$75,000</li> <li>\$100,000</li> <li>Balance</li> </ul>	R.S. 4:163(A)
2. Races held in municipalities and parishes with a population under 450,000	<ul style="list-style-type: none"> <li>(a) Louisiana Legislative Council</li> <li>(b) State General Fund</li> <li>(c) Parish in which track operated</li> <li>(d) State General Fund</li> <li>(e) Parish</li> </ul>	<ul style="list-style-type: none"> <li>\$25,000</li> <li>\$200,000</li> <li>\$200,000 (if within municipality 1/3 to municipality and 2/3 to parish)</li> <li>1/2 balance</li> <li>1/2 balance (if within municipality 1/6 to municipality and 2/6 to parish)</li> </ul>	R.S. 4:163(B)
3. Races held in Jefferson Parish	<ul style="list-style-type: none"> <li>(a) Louisiana Legislative Council</li> <li>(b) Parish</li> <li>(c) City of Kenner</li> <li>(d) State Board of Education, for capital improvements; of which \$100,000 to Southeastern La. University, \$75,000 to Delgado and \$75,000 to Jefferson Parish Trade School</li> <li>(e) State Parks and Recreation Commission</li> <li>(f) State General Fund</li> <li>(g) Parish</li> <li>(h) City of Kenner</li> </ul>	<ul style="list-style-type: none"> <li>\$25,000</li> <li>2/3 of \$200,000</li> <li>1/3 of \$200,000</li> <li>\$250,000</li> <li>\$75,000</li> <li>40% of balance</li> <li>30% of balance</li> <li>30% of balance</li> </ul>	R.S. 4:163(E)

Source of Revenue	Agency to which Dedicated	Amount of Dedication	Citation
Horse Racing Tax (Cont'd.)			
4. Races held in Calcasieu Parish	(a) Louisiana Legislative Council (b) State Board of Education, for capital improvements; of which \$100,000 to McNeese for facilities, salaries, etc., \$100,000 to Soveia Tech Institute, \$50,000 to USL and \$25,000 to LSU at Eunice	\$25,000 \$275,000	R.S. 4:163(F)
	(c) Calcasieu Parish (d) State General Fund (e) Calcasieu Parish	\$100,000 1/2 balance 1/2 balance	
5. Races held in Lafayette Parish	(a) Louisiana Legislative Council (b) State Board of Education, for capital improvements, of which \$260,000 to be used at USL, \$50,000 at McNeese and \$50,000 at Nicholls (c) State General Fund (d) Lafayette Parish	\$25,000 \$360,000	R.S. 4:163(C)
	(e) State General Fund (d) Lafayette Parish	1/2 balance 1/2 balance	
6. Races held in Natchitoches Parish	(a) State Board of Education (b) Parish (c) Village of Clarence (d) Department of Hospitals (e) Tourist Development Commission (f) State General Fund (g) Louisiana Legislative Council (h) Distribution same as in (a) through (e)	40% of \$300,000 75% of next 40% of \$300,000 25% remaining Next 10% of \$300,000 Next 10% of \$300,000 40% of balance 10% of balance 50% of balance	R.S. 4:163(D)
Revenues from Mineral Leases			
(1) Out of all leases and bonuses	General Highway Fund	\$2,500,000	La. Const. Art. IV, §2(c)(2)
(2) Royalties and Rentals	Royalty Road Fund General Highway Fund	10% of proceeds to credit of parish in which production occurred \$12,500,000	La. Const. Art. IV, §2; R.S. 30:136 La. Const. Art. IV, §2(c)(1)

Source of Revenue	Agency to which Dedicated	Amount of Dedication	Citation
Revenues from Mineral Leases (cont'd.)			
Revenues and Royalties from beyond 3-mile limit	Retirement of State Debt	All	La. Const. Art. IV, §2(b)
Proceeds from mineral leases on lands under jurisdiction of Dept. of Wildlife and Fisheries	Conservation Fund	All	R.S. 56:631
Mineral leases from Rockefeller Wildlife Refuge	(a) Rockefeller Wildlife Refuge and Game Preserve Fund (b) Public school and public health	All minus prior charges Any surplus	Act 71 of 1920 Acts 378 and 438 of 1954; Act 321 of 1972
Mineral leases from Russell Sage Foundation	(a) Russell Sage Foundation (b) Maintaining, policing and improving Marsh Island (c) Russell Sage or Marsh Island Refuge Fund (d) Wildlife and Fisheries Commission	1/2 revenues Other 1/2 revenues 1/2 of any excess Other 1/2 of any excess	{ Act 70 of 1920; Act 62 of 1971
Tidelands mineral leases	(a) Purchase and retirement in advance evidences of indebtedness (b) Capital improvements	Not more than 10% of the fund, but not in excess of \$10,000,000	La. Const. Art. IV, §2(d)
Tax	Department of Public Welfare	Remainder after deductions to dealers and cost of collecting except as otherwise provided	R.S. 47:318
	Larose-Lafitte Toll Road Authority	Up to \$900,000 annually, subject to prior dedications - the amount needed to pay the principal and interest on bonds after deducting the amount of tolls collected and to be applied to the payment of principal and interest	Act 192 of 1962 R.S.

Source of Revenue	Agency to which Dedicated	Amount of Dedication	Citation
Sales Tax (Cont'd.)	Louisiana Fiscal Authority (Bond Redemption Fund) to supplement teachers pay (R.S. 17:421)	7% of proceeds of tax annually	Act 2 of 1962 (R.S. 12:2225)
Sales tax on pari-mutuel wagering tickets	Capital Construction and Improvement Commission	Amount necessary to pay interest and principal on bonds to construct LSU Veterinary School at main campus	Act 198 of 1968 R.S.
Additional one cent sales tax	For purposes listed and enumerated in Act 211 of 1970	All	R.S. 47:323
Severance Taxes			
Shrimp	Louisiana Wild Life and Fisheries Conservation Fund	Total amount collected	R.S. 56:10
Oysters	Louisiana Wild Life and Fisheries	Total amount collected from all sources provided for by R.S. 56:421-R.S. 56:449, including the leasing of water bottoms for purposes other than minerals, licensing of vessels used for oyster industry	R.S. 56:447
Shells	Louisiana Wild Life and Fisheries	One-half to administration of commercial seafood laws and maintenance of property and equipment therefor and one-half to upkeep of oyster seed grounds	R.S. 56:458
Natural resources (those severance taxes on natural resources collected by the Dept. of Revenue)	All severance taxes collected on oil, gas, salt and shells (not otherwise allocated) plus all severance taxes collected on all other natural resources taken from the soil or water	(a) 1/3 of tax on sulphur to any one parish, not over \$100,000 (b) 1/5 of tax on oil, gas, marble, salt, coal, stone, lignite, ores, gravel, sand and shells to parish from which collected (not to exceed \$200,000 in aggregate to any one parish)	R.S. 47:645

Source of Revenue	Agency to which Dedicated	Amount of Dedication	Citation
<b>Severance Taxes (Cont'd.)</b>			
Timber (Reforestation Tax)	(a) Department of Education (b) Department of Education (State Public School Fund)	Amount necessary for school books and supplies after allowances by the Constitution  Residue of Severance Tax Fund not to exceed \$500,000 to be appropriated by the Legislature for the purpose of purchasing free school books and supplies	R.S. 17:351  La. Const. Art. XII, §14
Tobacco Tax	To parish governing authority from which timber is removed State General Fund  (a) LSU (b) Municipalities now or hereafter incorporated (c) Parishes having no incorporated municipalities (provided 37 1/2% of total tax proceeds less amount to LSU and withholds exceed the amount allocated to municipalities) any remaining allocation of the 37 1/2% would be to municipalities with smallest per capita allocation (d) Cities over 100,000 population	75% of amount collected annually  25% of amount collected annually  \$1,000,000 On per capita basis  \$1.50 per capita	La. Const. Art. X, §1  R.S. 47:869
Special Fuel Tax	General Highway Fund	50¢ per capita out of remaining 62 1/2% of tax proceeds	R.S. 47:815
Public Utilities Tax	State General Fund	Total collected, less withholds	R.S. 47:1010
Vehicle License Tax	General Highway Fund and State Highway Fund No. 2	Total collected, less withholds	R.S. 47:481

Source of Revenue	Agency to which Dedicated	Amount of Dedication	Citation
title certificate fees	Department of Public Safety	\$1,100,000 to be used for 100 additional state troopers and operation and maintenance of vehicles and equipment	R.S. 32:733
motor vehicle dealers and salesmen licensing fees	Department of Public Safety	Total collected to be used to administer La. Vehicle Certificate of Title Law.	R.S. 32:733
driver's license fee	(a) Division of State Police	50¢ out of each fee	R.S. 32:412
Class A (\$3.50)	(b) Minimum salary schedule of state police	\$1.00 out of each fee	
	(c) State Police Pension and Retirement Fund	50¢ out of each fee	
Class A licenses to residents of municipalities in excess of 300,000 (\$3.50)	(a) Police Pension Fund	\$1.00	}
	(b) Minimum salary schedule of state police	\$1.00	
Class B, C and D licenses (\$4.50)	(a) State Police Pension and Retirement Fund	50¢ out of each fee	}
	(b) Minimum salary of state police	\$1.00 out of each fee	
Class B, C and D licenses to residents of municipalities in excess of 300,000 (\$5.50)	(a) Police Pension Fund	\$2.00 out of each fee	}
	(b) State Police Pension and Retirement Fund	50¢ out of each fee	
hotel-room occupancy tax	Louisiana Stadium and Exposition District	Total collected, except the 1% tax Orleans Parish School Board is authorized to impose and the 1% tax the Jefferson Parish School Board is authorized to impose. To be distributed to the municipalities in the proportion of the population of the municipality to the total population of the parish. Where chain stores are outside incorporated municipalities the parish shall retain a sum based on the ratio that the population of the parish outside incorporated municipalities bears to the total population of the parish.	La. Const. Art. XIV, §47
Chain Store Tax	Local governments		R.S. 47:1127



LOUISIANA WILD LIFE & FISHERIES COMMISSION  
STATEMENT OF SOURCE OF REVENUE AND LEGAL CITATION

<u>SOURCE OF REVENUE</u>	<u>AUTHORITY LEVY</u>	<u>DEDICATION LEGAL CITATION</u>	<u>DESCRIPTION</u>
Commercial Wholesale Dealer	56:378	56:401	Purpose of administering, propagating, and developing fish industry, fish culture and general work of the Commission
Commercial Wholesale Dealer's agent	56:379	56:401	Purpose of administering, propagating, and developing fish industry, fish culture and general work of the Commission
Commercial Retail Dealer	56:380	56:401	Purpose of Administering, propagating, and developing fish industry, fish culture, and general work of the Commission.
Bedding Ground Rental	56:435	56:447	Louisiana Wild Life & Fisheries Comm.
Commercial Oyster Vessels	56:431	56:447	Louisiana Wild Life & Fisheries Comm.
Commercial Oyster Dredging	56:437	56:447	Louisiana Wild Life & Fisheries Comm.
Commercial Oyster Shop & Resale	56:434	56:447	Louisiana Wild Life & Fisheries Comm.
Oyster-Severance Tax	56:432	56:447	Louisiana Wild Life & Fisheries Comm.
Commercial Shrimping Vessels and Trawls & Seines	56:500		Louisiana Wild Life & Fisheries Comm.
Shrimp-Severance Tax	56:505		Louisiana Wild Life & Fisheries Comm.
Commercial Fish Farmer	56:638.2		Louisiana Wild Life & Fisheries Comm.
Hunting Preserves	56:651		Louisiana Wild Life & Fisheries Comm.
Game Breeder	56:171		Louisiana Wild Life & Fisheries Comm.
Building Rents			Louisiana Wild Life & Fisheries Comm.
Sand, Gravel & fill Severance Tax	9:1101		Louisiana Wild Life & Fisheries Comm.

LOUISIANA WILD LIFE & FISHERIES COMMISSION  
STATEMENT OF SOURCE OF REVENUE AND LEGAL CITATION

<u>SOURCE OF REVENUE</u>	<u>AUTHORITY LEVY</u>	<u>DEDICATION LEGAL CITATION</u>	<u>DESCRIPTION</u>
Hunting- Sports License	56:104	56:104	Purpose of Adminstrating, enforcing, and other purposes as may be determined.
Hunting Clubs	56:105	56:104	Purpose of Adminstrating, enforcing, and other purposes as may be determined.
Fur-Severance Taxes	56:257		Louisiana Wild Life & Fisheries Comm.
Fur Buyer	56:252		Louisiana Wild Life & Fisheries Comm.
Fur Dealer	56:252		Louisiana Wild Life & Fisheries Comm.
Trapper	56:252		Louisiana Wild Life & Fisheries Comm.
Alligator Hunter	56:252		Louisiana Wild Life & Fisheries Comm.
Fishing-Sports License	56:331 56:332	56:336	Purpose of administering and maintaining hatcheries, sanctuaries, etc., and enforcement of game laws.
Hyacinth Control	56:331	56:331	Hyacinth and other water plant control
Commercial Fisherman License	56:376	56:401	Purpose of administering, propagating and developing fish industry, fish culture and general work of the Commission
Commercial Net License	56:376	56:401	Purpose of administering, propagating and developing fish industry, fish culture and general work of the Commission.
Commercial Fish Vessels	56:376	56:401	Purpose of administering, propagating and developing fish industry, fish culture and general work of the Commission

LOUISIANA WILD LIFE & FISHERIES COMMISSION  
STATEMENT OF SOURCE OF REVENUE AND LEGAL CITATION

<u>SOURCE OF REVENUE</u>	<u>AUTHORITY FOR LEVY</u>	<u>DEDICATION LEGAL CITATION</u>	<u>DESCRIPTION</u>
Commercial Non-Resident Minnow Dealer	56:634	56:636	Enforcement and other expenses of the Commission
Motorboat Registration	34:851.4	34:851.16	Purpose of administering, enforcement, and other purposes of the Commission.
Shell Severance Tax	56:1101	56:458	Establishment, administration, maintenance and upkeep of oyster seed grounds and planting propagation, cultivation, policing, preservation, and distribution of oysters.
		56:540-541	Administration & enforcement of commercial seafood laws & to the construction, purchase, etc. of property & equipment.
Oil and Gas	56:631	56:631	Purpose is for the protection, maintenance operation and development of such areas or for the acquisition of other such areas.
Sulphur	56:631	56:631	Same as for Oil and Gas
Salt	56:631	56:631	Same as for Oil and Gas
Bonuses	56:631	56:631	Same as for Oil and Gas
Trapping Lessees	56:631	56:631	Same as for Oil and Gas
Sale of Furs	56:631	56:631	Same as for Oil and Gas

# 10,099,973

DEPARTMENT OF PUBLIC SAFETY  
DIVISION OF STATE POLICE

Motor Vehicle Inspection Stickers & Permits

Act 405 of 1960	388,256	372,060	385,000
Accident Reports and Photographs	56,467	58,905	60,000
Title Fees - Act 194 of 1966	1,100,000	1,100,000	1,100,000
MVI Sticker Late Penalties			
Act 514 of 1970	10,050	1,680	1,000
Escort Fees	74,782	71,325	71,325
Sale of ODR - Online Drivers' Records	471,111	521,056	490,000
	<b>2,339,677</b>	<b>2,815,124</b>	<b>2,877,525</b>

MEANS OF FINANCING:

State Appropriation - Portion of Budget received from State General Funds  
Department of Highways - \$100,000.00, Overweight/collected by State Police which is remitted to State Treasurer to be credited to the General Highway Fund, payable in equal monthly installments for the purpose of paying its additional costs in enforcing the restrictions contained in Sub-section H of Act 395 of 1970. One-half of Overload Penalties received by the Dept. of Highways.

Drivers' License Division - \$.50 of all regular drivers' licenses sold.  
Act 395 of 1970 - \$2.00 of each \$6.00 Oversize Permits to be utilized by the Division of State Police in granting, administering and enforcing the provision of this Chapter.

Act 152 of 1958 - \$1.00 fee for Stenciling Serial Numbers on Trailers.  
Mns. of Fin., Miscellaneous - R. L. Polk and etc. for listing of names and addresses furnished by Data Processing.

Insurance Recovery - Monies received from Insurance Companies (various) for Units which were completed demolished.

Act 405 of 1960 - Sale of Motor Vehicle Permits for Inspection Stations and Sale of Motor Vehicle Inspection Stickers. \$10.00 Permit per Station and \$.25 per sticker.

Escort Fees - \$25.00 for escorting of oversize trailers and other vehicles.

Accident Reports & Photos - \$2.50 for copy of accident reports. \$2.00 per print for Photos (purchase of all prints available)

Act 194 of 1966 - The commissioner is authorized to withhold as much of the title certificate fees as is necessary to defray the cost of administering the Vehicle Certificate of Title Law and to pay the additional expense incurred in manufacturing vehicle registration reflector license plates. The next one million one hundred thousand dollars (\$1,100,000.00) of the fees collected is to be dedicated to the Dept. of Public Safety to be used for an additional force on one hundred state troopers and for the operation and maintenance of additional state police vehicles and equipment for said troopers. Any surplus funds are to be transferred to the state treasury to be placed in the general fund. After passage of this bill, any trooper who works over 40 hours a week shall be paid at the rate of time and a half of their rate of pay.

TRUST FUND:

Explosive License - Act 312 of 1970	1,136	1,383	1,383
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INCOME NOT AVAILABLE:

Overweight Permits - Act 395 of 1970 (To be credited to General Hwy Fund)	464,543	480,908	480,000
Oversize Permits - Act 395 of 1970 Department of Highways	332,464	353,790	-
Oversize Permits - Act 395 of 1970 State Police Escrow (Salary)	110,821	117,930	-
	<b>907,828</b>	<b>952,628</b>	<b>-</b>

Act 310 of 1962 - Act 449 of 1954 - RS 32:389

The fees collected for Drivers' and Chauffeurs' Licenses issued are distributed as follows:

Fee	Per Month	Monthly Average	State Police	State Police	State Police	State Treasurer
		(Average)	Revenue	Revenue	Revenue	(Average)
Drivers' License, State	\$1.50	\$1.50	\$0.50	\$0.50	\$0.50	\$1.00
Chauffeurs' License, State	\$1.50	\$1.50	\$0.50	\$0.50	\$0.50	\$1.00
Chauffeurs' License, D.D.	\$11.00	\$11.00	\$0.00	\$11.00	\$0.00	\$0.00

The above table shows the net fee collections from all sources which will be received during the 1972-73 fiscal year and the distribution of the same.

	EST. BAL.	EST. INC. TO BE COLLECTED	TOTAL COLLECTINGS	STATE POLICE REVENUE	STATE POLICE REVENUE	STATE POLICE REVENUE	STATE TREASURER REVENUE
DRIVERS' LICENSES, STATE	\$3.30	\$95,600	\$2,141,400	\$702,100	\$702,100	\$702,100	\$739,100
CHAUFFEURS' LICENSES, STATE	\$1.50	\$10,700	\$21,400	\$7,130	\$7,130	\$7,130	\$7,130
CHAUFFEURS' LICENSES, D.D.	\$11.00	\$1,200	\$13,200	\$0.00	\$13,200	\$0.00	\$0.00
EXPLOSIVE LICENSES, STATE	\$1.00	\$1,136	\$1,136	\$0.00	\$1,136	\$0.00	\$0.00
OVERSIZED PERMITS, STATE	\$2.00	\$23,800	\$47,600	\$0.00	\$47,600	\$0.00	\$0.00
OVERSIZED PERMITS, DEPT. OF HIGHWAYS	\$1.50	\$49,800	\$74,700	\$0.00	\$74,700	\$0.00	\$0.00
OVERSIZED PERMITS, STATE POLICE ESCROW	\$1.00	\$110,821	\$110,821	\$0.00	\$110,821	\$0.00	\$0.00
ESCORT FEES	\$25.00	\$5,625	\$5,625	\$0.00	\$5,625	\$0.00	\$0.00
ACCIDENT REPORTS AND PHOTOS	\$2.50	\$1,250	\$1,250	\$0.00	\$1,250	\$0.00	\$0.00
TOTAL		\$2,141,400	\$2,214,700	\$702,100	\$1,516,700	\$702,100	\$739,100

DEPT. OF PUBLIC SAFETY  
DIVISION OF STATE POLICE  
MEANS OF FINANCING

Act 312 of 1970 - Explosive License, The fees collected for such licenses and permits are hereby appropriated for the use of the Director of Public Safety in the administration of this Chapter, and shall be deposited in an explosives trust fund to be set up in the office of the State Treasurer.

Act 514 of 1970 - Delinquent Penalties, owner or operator of a motor vehicle who has received a written notice from any authorized officer or other officers and employees of the department as the director may designate. Said notice shall require that the vehicle shall be inspected and that a certificate of inspection and approval shall be obtained within five days, any owner or operator of a motor vehicle, obtaining a certificate of inspection and approval after the expiration of said five days, shall pay a late penalty of \$5.00 in addition to all other costs or fees in connection with the issuance of such certificate of inspection.

Impounding Fee - Impounding fees for animals impounded by State Police. \$4.00 per animal and \$.50 per animal per day for cost of feeding and cost of advertising if necessary.

Lafourche Parish Police Jury - \$200.00 for rental of Office Space at Troop M.

LCLF Funded Training School and Conferences - Monies received from Louisiana Commission on Law Enforcement for State Police personnel attending various Training Schools and Conferences.

ODR Funds - Online Drivers Records which are collected by Drivers' License Division. Budgeted by BA-7 only.

Emergency Employment Act Funds - Reimbursement received for Employees hired under EEA.

Act 242 of 1972 - Car Per Man, The sum of \$640,000.00 shall be transferred to the State Treasurer to the Dept. of Public Safety, Div. of State Police and which shall be used by said division solely for the purchase of equipment, and with the exception of monies collected under Subsection C of Section 1306 of Title 32 of Revised Statutes of 1950

DEPARTMENT OF PUBLIC SAFETY  
DIVISION OF STATE POLICE

MEANS OF FINANCING:	ACTUAL 1970-71	ESTIMATED 1971-72	REQUESTED 1972-73
Department of Highways - Act 395 of 1970	124,250	130,000	130,000
Drivers' License Division	396,401	313,691	403,700
Oversize Permits - Act 395 of 1970	207,853	235,860	235,860
Stenciling Serial Numbers on Trailers			
Act 152 of 1958	10,527	10,547	10,500

MINUTES

Minutes of the third meeting of the Subcommittee on Revenues Other than Ad Valorem Taxation, of the Committee on Revenue, Finance, and Taxation of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on March 29, 1973

Department of Education Building, Sixth Floor  
Conference Room, Baton Rouge, Louisiana  
Thursday, April 5, 1973, 8:30 a.m.

Presiding: Risley C. Triche, chairman of the Subcommittee on Revenues Other than Ad Valorem Taxation

Present

Risley C. Triche, Chairman  
Senator J. D. DeBlieux  
Dr. Claude Maubert, Jr.  
John Clyde Fontenot  
Autley B. Newton  
J. A. McDaniel  
Walter J. Champagne  
Arthur J. Planchard  
Senator Samuel B. Nunez, Jr.

Absent

Lawrence Chehardy  
Charles Slay

The subcommittee meeting was called to order by the Chairman Risley C. Triche following the roll call.

Subject matter to be discussed by the speakers was briefly reviewed by Mr. Norris.

The chairman introduced C. J. Bonnacarrere, executive secretary of the Louisiana Mineral Board, who sketched the history of the Mineral Board and its scope of operation.

He defined the main sources of mineral revenue as being derived from leases, bonuses, rents, and the severance tax, and cited the authority for each.

Mr. Bonnacarrere introduced Jerry D. Hill, director of the audit division of the Mineral Board, who provided fiscal data on mineral revenues.

The subcommittee requested that Mr. Bonnacarrere ask the Mineral Board legal staff to define the problems resulting from fee simple, accretion and shift, as these relate to streams, rivers, gulf bottoms and beds. Further, Mr. Bonnacarrere was asked to obtain clarification of the language and the confusing provisions in the law which have accounted for numerous court suits. Mr. Bonnacarrere agreed, but suggested that he first consult with the attorney general for an opinion.

Dr. Charles Mary, commissioner of the Louisiana Health and Social, and Rehabilitation Services Administration, was introduced by the chairman and asked to outline the amounts and limitations of federal grants administered by the administration.

Felix Stanley, welfare comptroller of LHSRSA, supplied data on the federal funds administered by the division of income maintenance, formerly the Department of Welfare.

Louis Munster, police juror from St. Bernard Parish, was introduced by Senator Nunez. Mr. Munster read the attached police jury resolution on establishment of a parish earnings tax.

Hu B. Myers, assistant director of the Department of

requirements, authority, and limitations of levee boards.

Following the luncheon recess, Bill Doran, attorney for the Louisiana Police Juries Association and Executive Director Jimmy Hays stated the association's position on local taxation.

William E. Tuttle, director of special projects for the Department of Revenue, supplied the subcommittee with a listing of all sections of the existing constitution dealing with revenue and taxation in any manner, with a brief explanation of the pertinent contents.

Mr. Tuttle also distributed reports from each operational division of the Department of Revenue, listing exemptions, discounts, and rebates covered by each of the laws administered by the department.

Emil Maciasz, assistant treasurer in the State Treasurer's Office, listed the revenues which are dedicated and whether those dedications are by constitutional or statutory authority.

Representatives of the Louisiana Forestry Commission and the Louisiana Forestry Association were invited to explain the acreage and severance taxes.

W. M. Palmer, Jr., associate state forester, and James E. Mixon, state forester with the Louisiana Forestry Commission, explained the severance tax, its revenues and dedications. They recommended continued constitutional inclusion of forestry contracts for the protection of the fifteen contracts remaining in effect. Mr. Palmer said that the acre-

age tax on timber land could be removed from the constitution, providing the legislature did not raise the tax excessively.

William E. Matthews, executive director of the Louisiana Forestry Association, explained the history, dedications, and implementation of the timber severance tax, stating that this "deferred" tax provided financial stability to the timber industry. He conceded that, should all other tax measures be removed from the constitution, the association would not oppose the constitutional removal of the timber severance tax.

Mr. Matthews introduced Burton Weaver, a director of the association, member of the Forestry Commission, and timber grower. Mr. Weaver concurred with the other forestry representatives, and provided further insight on the collection of the stumpage rate as set forth in the constitution and adjusted by the Tax Commission and the Forestry Commission.

Lionel Darce, assistant director of the Intergovernmental Relations Commission, explained the procedure state agencies use to obtain federal grants. He urged the establishment of one central agency to serve as a clearing house on the status of agencies' applications for federal aid and for information on federal funds. He reported that there was presently a half million dollars of federal funds unaccounted for by one agency, exemplifying the need for a central agency.

Mr. Darce was asked to provide data on southern and Louisiana receipts of federal funds in 1971-1972.

Ann Stewart, coordinator of federal programs for the Department of Education, described the variety of federal educational grants available to state and local governments, and the various limitations applicable to those funds. Agreeing with Mr. Darce, Ms. Stewart said she saw no reason

why an agency such as he described should not be included in the constitution.

Ms. Stewart agreed to supply the subcommittee with information on how other states, and particularly Oregon, determine the availability of federal funds.

Following the presentations, the subcommittee discussed the options for drafting proposed constitutional articles, and agreed to proceed with the drafting following the next scheduled committee meeting in New Orleans.

The staff was asked to set an agenda for a public hearing in New Orleans on Saturday, April 14, 1973.

Mr. Norris was asked to begin drafting proposals for the subcommittee's consideration at its next daylong meeting. He was also requested to outline the methods of modifying, updating, and generalizing existing constitutional provisions, as well as recommending the inclusion or exclusion of specifics.

The staff was asked to distribute to those absent the material reviewed during the meeting.

There being no further business, the meeting was adjourned.

Minutes of the fourth meeting of the Subcommittee on Revenues Other Than Ad Valorem Taxation of the Committee on Revenue, Finance, and Taxation of the Constitutional Convention of 1973

Held pursuant to notice mailed by the Secretary of the Convention on April 19, 1973

Committee Room 10, State Capitol

Baton Rouge, Louisiana

Friday, April 27, 1973, 2:00 p.m.

Presiding: Risley C. Triche, Chairman

Present

Absent

Risley C. Triche, Chairman
Dr. Claude Mauberret
Senator J. D. De Blieux
Charles Slay
John Clyde Fontenot
Autley B. Newton
J. A. McDaniel
Walter J. Champagne, Jr.
Senator Samuel B. Nunez, Jr.
Arthur J. Planchard

Lawrence Chehardy

The meeting was called to order at approximately 2:00 p.m. by the chairman. Following the roll call, minutes of the March 27, 1973 and April 5, 1973 subcommittee meetings were distributed to the members. Mr. Planchard moved to dispense with the reading of the minutes. Without objection the motion carried.

The minutes were adopted without objection.

The chairman asked for suggestions as to how to proceed in directing the staff to draft proposals for the subcommittee's consideration at its next meeting.

Mr. Champagne asked that Article III, Section 25.1 regarding the two-thirds legislative vote on tax matters be retained in the constitution and that this be the first matter for consideration.

Mr. Planchard moved that the staff be directed to draft such a proposal, retaining the two-thirds legislative vote on tax matters. Mr. McDaniel seconded. There being objections, a roll call vote was called:

Yeas

Nays

Fontenot
McDaniel
Champagne
Planchard
Triche

Mauberret
Newton
Slay

The motion carried five to three.

The subcommittee further decided to have Article III, Section 8 incorporated with Article III, Section 25.1, which both deal with the legislative two-thirds vote on tax matters.

Mr. Newton moved to defer action on limiting the legislature to fiscal sessions in odd-numbered years. Without objection, the motion carried.

The Royalty Road Fund, Article IV, Section 2, was discussed.

Mr. Planchard asked what the status of the staff's study was on determining what provisions could be deleted, left in the statutes, or were obsolete.

Risley C. Triche, Chairman



Police Jury
St. Bernard Parish

St. Bernard Courthouse Annex
CHALMETTE, LOUISIANA 70043

271-0421

OFFICERS:

Henry C. Schindler, Jr.
President
Roy H. Gonzales
Vice President
Valentino Riess
Parish Manager
Raymond M. McDougall
Secretary Treasurer
Anthony A. Fernandez, Jr.
Assistant Secretary

MEMBERS:

Bertrand A. Odinet
First Ward
248 Friscoville Avenue
Awt: 70032
Henry C. Schindler, Jr.
First Ward
946 Melie Avenue
Awt: 70032
Roy H. Gonzales
Second Ward
117 Naton Avenue
Awt: 70032
Peter Perricaro
Second Ward
56 Carolyn Court
Awt: 70032
Nunzio S. Cusumano
Third Ward
2005 Marotte Street
Chalmette 70043
John A. Metzler
Third Ward
2800 Ivy Place
Chalmette 70043
Louis P. Munster
Third Ward
2135 Paris Road
Chalmette 70043
Celestine Melerine
Fourth Ward
Route 1, Box 193
Violet 70092
Claude S. Mumphyre
Fourth Ward
2012 Mumphyre Road
Chalmette 70043
Roland J. Bergeron, Jr.
Fifth Ward
Box 38
St. Bernard P. O 70085
Walter S. Malero
Fifth Ward
Box 676
St. Bernard P. O 70085

EXTRACT OF THE OFFICIAL PROCEEDINGS OF THE POLICE JURY OF THE PARISH OF ST. BERNARD, STATE OF LOUISIANA, TAKEN AT A REGULAR MEETING HELD AT CHALMETTE, LOUISIANA, IN THE POLICE JURY ROOM OF THE COURTHOUSE ANNEX, ON TUESDAY, APRIL 3, 1973, AT ELEVEN O'CLOCK A. M.

On motion of Mr. Munster, seconded by Mr. Metzler, and unanimously carried, it was moved by joint motion of the Police Jury that a delegation appointed by the President of the St. Bernard Parish Police Jury be authorized and empowered to appear before any and all committees and sub-committees of the Louisiana Constitutional Convention to speak on behalf of the St. Bernard Parish Police Jury in expressing their unanimous opposition to any and all proposed metropolitan or multi-parish taxes on earned income.

And the motion was declared adopted on the 3rd day of April, 1973.

CERTIFICATE

I CERTIFY that the above is a true and correct copy of a motion adopted by the St. Bernard Parish Police Jury at a Regular Meeting held at Chalmette, Louisiana, in the Police Jury Room on the 3rd day of April, 1973.

Witness my hand and the seal of the St. Bernard Parish Police Jury on this 3rd day of April, 1973.

R. M. MC DOUGALL
SECRETARY

Mr. Champagne pointed out that the Royalty Road Fund was one issue of the type which he envisioned coming under a two-thirds legislative vote, should the fund be deleted from the new constitution.

At Mr. Newton's suggestion, the subcommittee decided to direct the staff to provide opinions on what would happen to agencies, or funds, or any matters deleted from the constitution.

Mr. Triche suggested that the subcommittee be directed to compile research on the Royalty Road Fund, Article IV, Section 2, and that the staff submit one proposal eliminating the provision from the constitution and that another be rewritten to include simply the dedication to the parishes of the ten percent of the royalties, guaranteeing those parishes presently receiving the funds protection on their outstanding bonds. He further suggested that, along with the proposals, the staff be directed to supply information on the present condition of the Royalty Road Fund.

Mr. Slay asked if there was a way to list all of the present dedications in one paragraph of the new constitution.

Following further discussion, Mr. Slay moved that the staff be directed to rewrite the article to simply provide that the ten percent Royalty Road Fund shall be dedicated to the parishes without restrictions and that the legislature authorize the bonding of it. Mr. Champagne seconded the motion.

Senator De Blieux voiced opposition to the inclusion of the Royalty Road Fund in the constitution, but said he favored the fund in principle.

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On a roll call vote, the motion carried eight to one.

<u>Yeas</u>	<u>Nays</u>
Slay	De Blieux
Mauberrret	
Fontenot	
Newton	
McDaniel	
Champagne	
Planchard	
Triche	

Following discussion on Article VI, Section 2, concerning the acreage tax, Mr. Planchard moved that the staff be directed to draft a provision retaining the acreage tax as provided for in the first paragraph of the section.

The subcommittee then considered Article VI, Section 22(A). Senator Nunez moved that the \$3.00 license tax on private automobiles be retained in the constitution. Mr. Slay seconded.

Senator De Blieux and Mr. Triche voiced objections, but the motion carried.

Mr. Planchard suggested that the article be rewritten by the staff, eliminating the many monetary limitations. Mr. Triche suggested that the staff rewrite the provision on the General Highway Fund including the taxes levied by the legislature on gasoline, benzine, naphtha, kerosene, explosives, and other motor fuels as presently prescribed in the article, but eliminating the monetary restrictions.

Senator De Blieux offered a substitute motion to have the staff draft a proposal deleting Article VI, Section 22 from the

constitution, with a recommendation to the legislature to continue the General Highway Fund.

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On a roll call vote on Senator De Blieux's substitute motion, the count was favorable five to four, with one abstention:

<u>Yeas</u>	<u>Nays</u>	<u>Abstaining</u>
De Blieux	Nunez	Mauberrret
Newton	Slay	
McDaniel	Fontenot	
Champagne	Planchard	
Triche		

Mr. Champagne moved to reconsider the motion to retain the \$3.00 automotive license tax.

Mr. Slay offered a substitute motion to include the \$3.00 license in the constitution. Senator Nunez seconded.

On a roll call vote, the motion carried seven to three:

<u>Yeas</u>	<u>Nays</u>
Nunez	De Blieux
Slay	McDaniel
Mauberrret	Triche
Newton	
Planchard	
Champagne	
Fontenot	

The subcommittee determined that dedications included in the General Highway Fund were out of the purview of the subcommittee's responsibilities.

Mr. Champagne moved that Article VI, Section 4, the gasoline tax, be deleted from the constitution. Mr. McDaniel seconded.

However, following discussion, the subcommittee without objection decided that the staff should draft a provision in two ways: 1) One proposal should completely eliminate the gasoline tax from the constitution; and 2) that another proposal authorize the gasoline tax and its dedications, but eliminate all other restrictions now included in the article.

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Senator De Blieux moved that only the first sentence of Article X, Section 1, dealing with the taxation power of the legislature be included in the constitution, and that the staff be so instructed to draft a provision. Mr. Champagne seconded. Without objection, the motion carried.

Senator De Blieux moved that the staff be directed to draft a provision on the income tax essentially as Article X, Section 1, Paragraph 2 reads, but limiting the income taxing powers only to the state government.

On the roll call vote, the motion carried with seven yeas, two nays:

<u>Yeas</u>	<u>Nays</u>
De Blieux	Fontenot
Slay	Newton
Mauberrret	
Planchard	
McDaniel	
Champagne	
Triche	

Mr. Slay moved, Mr. Planchard seconded, that Article X, Section 1, Paragraph 3 on reforestation, be deleted from the constitution

and that the staff be directed to draft such a proposal. Without objection, the motion carried.

The subcommittee decided to instruct the staff to delete Article X, Section 1.1 dealing with income tax exemptions for armed forces personnel in Viet Nam.

Mr. Newton moved to delete Article X, Section 1, Paragraph 5 concerning the timber severance tax.

Mr. Slay offered a substitute motion to defer action on the timber severance tax and classification of forest lands to the Subcommittee on Ad Valorem Taxes meeting as a Committee of the Whole. Without objection, the motion carried.

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Mr. Newton moved that the staff be directed to draft a proposal providing for the inheritance tax (Article X, Section 7) but eliminating the rate limitations or specifications. Senator De Blieux seconded. Without objection, the motion carried.

Senator De Blieux moved that Article X, Section 8 dealing with license taxes be deleted from the constitution, and that the staff be so directed to draft a proposal. Mr. McDaniel seconded. Without objection, the motion passed.

Mr. Newton moved to delete Article X, Section 9, dealing with out of state banks from the constitution, and that the staff be so directed to draft a proposal stating such. Without objection, the motion carried.

Mr. Planchard moved that the provision for process to restrain and the collection of taxes be retained essentially as stated in Article X, Section 18, and that the staff be directed to draft such a provision. Senator De Blieux seconded. Without objection, the motion carried.

Mr. Newton moved to delete the \$1.03 limitation on sulphur from Article X, Section 21, and that the staff be directed to rewrite the article thusly. Mr. McDaniel seconded. Without objection, the motion carried.

Senator De Blieux moved that the last sentence of the first paragraph of Section 21 be deleted: "No severance tax shall be levied by any parish or other local subdivision of the state." Mr. Newton seconded. Messrs. Triche and Planchard objected.

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Mr. Fontenot offered a substitute motion to defer action on the matter. Mr. McDaniel seconded. Mr. Triche objected.

On a roll call vote on Mr. Fontenot's substitute motion, the measure failed to pass.

Yeas

De Blieux  
Mauberret  
Fontenot  
McDaniel

Nays

Slay  
Newton  
Planchard  
Triche

On a roll call vote, Senator De Blieux's motion failed to carry on a vote of five to three:

Yeas

De Blieux  
Newton  
McDaniel

Nays

Slay  
Mauberret  
Fontenot  
Planchard  
Triche

Mr. Planchard moved to retain the words: "No severance tax shall be levied by any parish or other local subdivision of the state." Mr. Slay seconded.

The motion carried without objection.

Mr. Slay moved that the first sentence of the second paragraph of Section 21, (excepting the words "nor shall any additional value be added to the assessment of land" which were determined to be out of the subcommittee's purview to consider) be retained essentially as it is presently in the constitution, and that the staff be directed to draft such a provision. Mr. Planchard seconded.

On a roll call vote, the motion carried by a vote of six to three:

Yeas

Nunez  
Slay

Nays

De Blieux  
Newton

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Yeas (Continued)

Mauberret  
Fontenot  
Planchard  
Triche

Nays (Continued)

McDaniel

Senator Nunez moved to reconsider the vote on removal of the \$1.03 limitation on sulphur severance rate (Article X, Section 21), asking that at a later time he be allowed to present a statement pertaining to the limitation. Without objection, the motion carried.

Mr. Newton moved for adjournment until 9:00 a.m. Saturday, April 29, 1973, when the full committee was to reconvene. Without objection, the motion carried and the meeting was adjourned at 4:35 p.m.

  
Risley C. Triche, Chairman

MINUTES

Minutes of the meeting of the Subcommittee on Revenue, Other Than Property Taxes of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on May 3, 1973  
Committee Room 10, State Capitol Building,  
Baton Rouge, Louisiana,  
Thursday, May 10, 1973, 10:00 a.m.

Presiding: Risley C. Triche, Chairman of the Subcommittee on Revenue, Other Than Property Taxes.

Present: Walter J. Champagne, Jr.  
Sen. J. D. DeBlieux  
John Clyde Fontenot  
J. A. McDaniel  
Dr. Claude Mauberret, Jr.  
Autley B. Newton  
Sen. Samuel B. Nunez, Jr.  
A. J. Planchard  
Charles Slay

Absent: Lawrence Chehardy

After the call to order and a quorum of members present, Chairman Triche introduced Delegate F. E. Hernandez, who presented a resolution adopted by the Vernon Parish Police Jury at its regular meeting held on February 12, 1973.

A copy of this resolution is attached hereto and made a part of these minutes along with a letter from Bert A. Adams, secretary, Vernon Parish Police Jury dated March 8, 1973 and addressed to Mr. Hernandez. This resolution urges the Constitutional Convention to retain the provisions of Article X, §1 of the 1921 constitution. Mr. Hernandez' presentation expressed the views of the citizens of Vernon Parish as to the importance of maintaining the present severance tax on timber.

Chairman Triche introduced Mr. Milton Duvieilh of Gulf Oil Corporation who is also chairman of Mid-Continental Oil and Gas Association's legislative committee. A copy of Mr. Duvieilh's presentation to the committee, "Severance Tax on Natural Resources, Article X, §21" is attached hereto and made a part of these minutes. Mr. Duvieilh wanted the severance tax to be the only tax on natural resources. He felt that this was better than levying several different taxes on natural resources.

Mr. Slay moved to dispense with the reading of the minutes of the meetings of March 17, 1973 and April 27, 1973, and for their adoption. The motion passed with no objection.

The next order of business was the consideration of the draft proposals prepared by the research staff. By motions duly offered and adopted the committee took the following action on each proposal (copies of proposals 1-7, with amendments underlined where indicated, are attached hereto and made a part of these minutes):

- 2
- Proposal #CC-258 - Adopted as amended
- Proposal #CC-226 - Adopted without change
- Proposal #CC-254 - Referred to Committee on Legislative Liaison and Transitional Measures for transfer to statutes without substantive change
- Proposal #CC-255 - No action; referred to full committee
- Proposal #CC-257 - Adopted with four amendments
- Proposal #CC-252 - Adopted without change
- Proposal #CC-256 - Adopted as amended, but with instruction to staff to refer the matter of the 2% acreage tax on forestry now contained in Article VI, §2 of 1921 constitution, to the Committee on Legislative Liaison and Transitional Measures for transfer to statutes without substance

A motion was offered, relative to inheritance and donation taxes, by Mr. Champagne and unanimously adopted; thus, the committee referred this matter to the Committee on Legislative Liaison and Transitional Measures.

Senator Nunez offered a motion to leave the sulphur tax rate (Article X, §21) in the constitution. Senator DeBlieux offered a substitute motion that the rate of tax on sulphur be referred to the Committee on Legislative Liaison and Transitional Measures. The substitute motion was adopted.

The committee requested the research staff to draft a proposal with respect to Article X, §21 deleting the rates set out therein for its consideration at the next meeting.

The meeting adjourned at 4:00 p.m.

\_\_\_\_\_  
CHAIRMAN  
\_\_\_\_\_  
VICE-CHAIRMAN

- 1 Constitutional Convention of Louisiana of 1973
- 2 COMMITTEE PROPOSAL NUMBER
- 3 Introduced by
- 4 A PROPOSAL
- 5 For taxing power and specific tax.
- 6 PROPOSED SECTION:
- 7 Article \_\_\_\_\_, Section \_\_\_\_\_. Power to Tax and Income
- 8 Tax
- 9 Section \_\_\_\_\_. The power of taxation shall be vested
- 10 in the legislature; shall never <sup>be</sup> ~~by~~ surrendered, suspended
- 11 or contracted away; and all taxes shall be uniform upon
- 12 the same class of subjects throughout the territorial limits
- 13 of the authority levying the tax, and shall be levied and
- 14 collected for public purposes only.
- 15 Income taxes. Equal and uniform taxes may be levied
- 16 upon net incomes and may be graduated according to the
- 17 amount of net income. The power to tax incomes shall be
- 18 restricted to the state.
- 19
- 20 Source: La. Const. of 1921, Article X, Section 1
- 21
- 22 Comment: Provides for power of taxation, vesting general
- 23 power in the legislature, with limitations on use,
- 24 delegation, and application; further provides for equal
- 25 and uniform taxes upon net incomes with restriction that
- 26 power to tax income shall be restricted to the state.

- CC-252
- 1 Constitutional Convention of Louisiana of 1973
- 2 COMMITTEE PROPOSAL NUMBER
- 3 Introduced by
- 4 A PROPOSAL
- 5 To provide for the collection and refund of taxes.
- 6 PROPOSED SECTION:
- 7 Article \_\_\_\_\_, Section \_\_\_\_\_. Collection and

8 Refund of Taxes  
9 Section \_\_\_\_\_. The legislature shall provide  
10 against the issuance of process to restrain the  
11 collection of any tax and for a complete and ade-  
12 quate remedy for the prompt recovery by every  
13 taxpayer of any illegal tax paid by him.

14  
15 Source: La. Const. of 1921, Article X, §18.

16  
17 Comment: This provision substantially is the same as  
18 Article X, Section 18 of Louisiana Constitution  
19 of 1921.

CC-254

1 Constitutional Convention of Louisiana of 1973  
2 COMMITTEE PROPOSAL NUMBER  
3 Introduced by

4 A PROPOSAL

5 To provide for the levy of an additional tax on gasoline  
6 and motor fuels and the disposition of proceeds  
7 thereof.

8 PROPOSED SECTIONS:

9 Article \_\_\_\_, Section \_\_\_\_. Additional Gasoline  
10 or Motor Fuel Tax

11 Section \_\_\_\_\_. In addition to the tax levied  
12 on gasoline or motor fuel under the authority of  
13 Article VI, Section 22 of the Constitution of  
14 Louisiana of 1921 as amended, a tax of one cent  
15 per gallon shall be levied on all gasoline or motor  
16 fuels, as defined by the legislature, when sold, used,  
17 or consumed in the State of Louisiana for domestic  
18 consumption.

19  
20 Article \_\_\_\_, Section \_\_\_\_. Disposition  
21 and Allocation of Collection

22 Section \_\_\_\_\_. As provided by the legislature,  
23 the collector of revenue shall forward collection of  
24 additional motor fuel tax of one cent per gallon, less  
25 expenses withheld, to the treasurer of the State of  
26 Louisiana to be credited as follows:

27 A. One-half of the amount received by the  
28 treasurer shall be credited to the General Highway  
29 Fund;

30 B. One-twentieth of the amount received by the  
31 treasurer shall be credited to the State and Local  
32 of the State Capital Region and General Fund.

33 C. Nine-twentieth of the amount received by the  
34 treasurer shall be credited to the State and Local  
35 of the Port of New Orleans.

1  
2 Source: New  
3

4 Comment: Provides for levy of one cent per gallon tax on  
5 gasoline and motor fuels in addition to that levied  
6 by Louisiana Constitution of 1921, Article VI, §22,  
7 and provides for dedications of collections. [See  
8 La. Const. of 1921, Art. VI-A, §§ 1, 5]

9 If Article VI-A of Louisiana Constitution of 1921  
10 were eliminated, no change in legal effect would occur  
11 if legislation similar to the present Article VI-A were  
12 enacted.

CC-256

1 Constitutional Convention of Louisiana of 1973  
2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For limitation of legislative power.

6 PROPOSED SECTION:

7 Article \_\_\_\_, Section \_\_\_\_. Limitation  
8 Section \_\_\_\_\_. The legislature shall <sup>not</sup> impose <sup>any</sup> an  
9 annual license tax <sup>in excess of</sup> of three (\$3.00) dollars <sup>on</sup> for each  
10 automobile used for private purposes.

11  
12 Source: La. Const. of 1921, Article 6, Section 22

13  
14 Comment: Provision prevents legislature from levying  
15 license tax exceeding three (\$3.00) dollars per  
16 automobile used for private purposes.

CC-256

1 Constitutional Convention of Louisiana of 1973  
2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For the practice of forestry.

6 PROPOSED SECTION:

7 Article \_\_\_\_, Section \_\_\_\_. Forestry  
8 Section \_\_\_\_\_. Forestry shall be practiced in  
9 this state, and the legislature <sup>shall</sup> ~~may~~ enact laws  
10 therefor.

11  
12 Source: La. Const. Article VI, Section 2, paragraph 1  
13 (1921).

14  
15 Comment: This provision is substantially the same as  
16 the first paragraph of Article VI, Section 2. It  
17 provides for the practice of forestry and authorizes  
18 the legislature to make provisions therefor. The  
19 section deletes the provision of Section 2 which  
20 authorizes parish governing authorities to levy  
21 acreage taxes not exceeding two cents per acre.

CC-257

1 Constitutional Convention of Louisiana of 1973  
2 DELEGATE PROPOSAL NUMBER

3 Introduced by  
4 A PROPOSAL  
5 for dedication of royalties from mineral leases granted  
6 by state to the Royalty Fund.

7 PROPOSED SECTION:  
8 Article \_\_\_\_, Section \_\_\_\_. Royalty Fund  
9 Section \_\_\_\_. From all mineral leases to be  
10 granted by the state, as well as from all mineral  
11 leases heretofore granted by the state or state-  
12 owned land, lake and river beds, and other water  
13 bottoms belonging to the state or the title to  
14 which is in the public for mineral development,  
15 ten per cent (10%) of the royalties received by  
16 the state from such lease or leases shall be placed  
17 by the state treasurer, <sup>as</sup> or received, in a special  
18 fund to the credit of the parish from which the  
19 production is had, said fund to be known as the  
20 Royalty Fund (previous ~~to~~ ~~Royalty Road Fund~~); and hereby  
21 provided, that in order to provide ~~ready funds for~~ <sup>parish on a</sup> ~~the parish,~~ ~~the legislature shall grant the authority~~ <sup>basis</sup>  
22 ~~the parish, the legislature shall grant the authority~~  
23 ~~and power to~~ the governing authority of the parish  
24 to fund into bonds of said parish its portion of the  
25 royalties which are thus credited to it in said  
26 Royalty Fund.

28 Source: La. Const. Art. IV, Section 2 (1921).  
29  
30 Comment: The dedication of ten percent (10%) of the  
31 royalties received from mineral leases granted by the  
32 state and the power of the legislature to authorize  
33 the bonding of funds are retained in provisions  
34 relating to the expenditure of the funds described  
35 to the parishes and the ~~provisions~~ ~~with~~  
1 bonding procedures are eliminated. Since the use of  
2 the fund by the parishes is not specified, the name  
3 was changed to Royalty Fund.

CC- 258  
1 Constitutional Convention of Louisiana of 1973  
2 COMMITTEE PROPOSAL NUMBER  
3 Introduced by  
4 A PROPOSAL  
5 Relative to the vote required to levy or increase any state  
6 tax; amendments; conference committee reports.  
7 PROPOSED SECTION:  
8 Article \_\_\_\_, Section \_\_\_\_. State Taxes, Levy or Increase  
9 in Rates; Amendments; Conference Committee Reports;  
10 Vote Required  
11 Section \_\_\_\_. Notwithstanding any provision elsewhere  
12 contained in this constitution to the contrary, state  
13 taxes, hereafter levied, increases in the rate or measure  
14 of state taxes now imposed, amendments to bills levying

15 new state taxes or increasing the rate <sup>of measure</sup> of any state tax  
16 now or hereafter imposed and adoption of reports of commit-  
17 tees of conference on any such bills or measures shall  
18 require <sup>the favorable</sup> ~~the~~ vote of two-thirds of the members <sup>elected to each house</sup> of the legis-  
19 lature, evidenced by a recorded vote.  
20  
21 Source: La. Const. of 1921, Article III, Section 25.1;  
22 La. Const. of 1921, Article X, Section 1(a).  
23  
24 Comment: No substantive change. Since both source provisions  
25 are concerned basically with the same subject, consolidation  
26 is recommended.

NOTES  
Staff Memos Nos. 1-6 on Subcommittee on Revenues other than Property Tax are reproduced below in Chapter II.

LOUISIANA STATE BOARD OF PARISHES  
P.O. Box 249  
Baton Rouge, La. 70839

VERNON PARISH POLICE JURY  
BUREAU ADDRESS: 1114 SHILOH, LAFAYETTE, LOUISIANA  
P. O. Box 1510  
1114 SHILOH, LAFAYETTE, LOUISIANA  
Phone 232-2311

CLARENCE CARMEZ, Ward 1  
74 Cade St.  
Baton Rouge, La. 70846

GEORGE J. (BOB) HARRIS, Ward 1  
P.O. Box 2128  
Baton Rouge, La. 70846

WERNER D. H. JONES, Ward 1  
P.O. Box 1313  
Baton Rouge, La. 70846

RAY PYNOS, Ward 1  
P.O. Box 123  
Baton Rouge, La. 70846

LEE MACCONAHEY, Ward 2  
P.O. Box 182  
Baton Rouge, La. 70802

W. D. JOSEPH, Ward 2  
P.O. Box 415  
Baton Rouge, La. 70839

JUSTICE OF THE PEACE  
No. 1, Box 1  
Baton Rouge, La. 70803

JUSTICE OF THE PEACE  
No. 2, Box 1  
Baton Rouge, La. 70803

JUSTICE OF THE PEACE  
No. 3, Box 1  
Baton Rouge, La. 70803

JUSTICE OF THE PEACE  
No. 4, Box 1  
Baton Rouge, La. 70803

JUSTICE OF THE PEACE  
No. 5, Box 1  
Baton Rouge, La. 70803

JUSTICE OF THE PEACE  
No. 6, Box 1  
Baton Rouge, La. 70803

Mr. T. J. (Pete) Hebert  
Baton Rouge, Louisiana 70803

Dear Pete:

Please find enclosed a resolution adopted by the Vernon Parish Police Jury at their regular meeting held on March 8, 1973, urging the Constitutional Convention Act No. of 1974, relative to timber severance tax in the State of Louisiana.

Pete, the Police Jury made a gift to you of the original in copying this to the resolution of the entire convention. The jury feels that since you are the original bill in the House of Representatives, you would be the best and more qualified to handle this request.

Yours very truly,

*[Signature]*  
Derek A. Anderson  
Secretary

RESOLUTION

A RESOLUTION OF THE VERNON PARISH POLICE JURY URGING THE CONSTITUTIONAL CONVENTION TO RETAIN THE PROVISIONS OF ARTICLE 10, SECTION 1 of the LOUISIANA CONSTITUTION AS REVISED BY ACT NO. 759 OF 1954 RELATIVE TO THE SEVERANCE TAX ON TIMBER, AND PARTICULARLY ENDORSING THE METHOD OF DISTRIBUTION OF SUCH TAX.

WHEREAS, ARTICLE 10, SECTION 1 of the Louisiana Constitution, as amended by Act No. 759 of 1954 (and the vote thereon approving the same) provides for severance tax on timber and the distribution of such tax as follows:





the (1) Constitutional and legislative history of the severance tax, (2) what it means to the people of this State and (3) its compatibility with oil and gas principles, as they have evolved over the past seventy years.

(1) History of the Severance Tax:

The severance tax, as understood today, was initially enacted with adoption of the 1921 Constitution. Actually, the severance tax was authorized in the 1898 Constitution and first levied as an occupational license tax in 1910 at the rate of 2/5 of one cent per barrel of oil and 1/5 of one cent per 10,000 cubic feet of gas.

After adoption of the 1921 Constitution, the Legislature, in accordance with the authority granted by the Constitution, has, on eight separate occasions in 1922, 1928, 1936, 1940, 1948, 1958 and twice in 1972 enacted legislation either increasing the tax rate or changing the basis of the tax.

The specifics of the legislative change are not as significant as the frequency of change. This equates to legislative action once every 6 1/2 years. In other words, the severance tax principles adopted by the 1921 Constitution, have afforded the Legislature flexibility to treat -- and the Legislature has treated -- with severance taxes as State needs dictate. Although the authority originates in the Constitution, the Legislature levies the tax subject to certain specific principles and prohibitions spelled out in the Constitution. The principles and prohibitions are not only compatible with and complement oil and gas law, but have served the people over the past years.

Our industry has - and probably will again - disagree as to the appropriate rate of the tax imposed by the Legislature on the severance of oil and gas, but we have no quarrel, indeed, we strongly support and urge the retention of the current framework of severance taxation without change.

(2) What Severance Taxes Mean to the People:

For eight months of this fiscal year, the severance tax on oil and gas has produced \$173,849,744.51, almost a 10% increase over the corresponding period for the previous fiscal year. This tax money is distributed to three recipients:

- (a) The public school fund
- (b) Free textbook fund
- (c) The parish in which the hydrocarbons are produced

Severance tax income has, for more than 50 years, been dedicated to education. LSU was the chief beneficiary from 1921 through 1928, when it secured other sources of recurring income. Severance taxes have financed the State's free school book program, continuously, since 1928. Parish school-

boards began receiving a portion of the tax in 1923, and still do so. Constitutional dedication of all severance tax income, other than that for textbooks and parish allocations to the public school fund, came in 1934 and is in effect today.

The basis for allocation of severance tax receipts certainly is one of the most equitable in Louisiana's financial management. About \$8.5 million is returned to the parish in which the resource was produced; \$7.5 million goes for the purchase of textbooks and school supplies for all school children - private and public. The remainder - about \$235 million this fiscal year - will go into the public school fund, to be allocated to every public school system in the State.

(3) Severance Tax Principles Incorporated in the Constitution Are Compatible With Oil and Gas Law:

The authorization, granted by the people in Article X, Section 21 of the Louisiana Constitution, to the Legislature to levy a severance tax is subject to certain well-founded principles spelled out in the Constitution including who should bear the tax, what basis the tax may be predicated on, where and when the tax shall accrue. Also, Article X, Section 21 specifics certain prohibitions, including the prohibition that no additional value be added to the assessment of land by reason of the presence of oil and gas. These principles in our Constitution that the tax shall be paid proportionately by the owners, thereof, that the tax shall accrue at the time and place of severance, and the prohibition that no additional value be added to the assessment of land due to the presence of oil and gas, are compatible with and complement Louisiana oil and gas law. And our association believes it a fair statement, that the vast majority of oil and gas attorneys feel our Courts have enunciated a body of oil and gas law which is consistent with civilian principles long embedded in our property and contract law.

Certainly, the most equitable method of levying a severance tax is to impose and collect it, as provided in Article X, Section 21, "proportionately from all owners, thereof."

The Constitution expressly authorizes the Legislature to predicate a severance tax on volume or value. In the past the Legislature has utilized both volume and value in fixing the tax rate. This further evidences the flexibility afforded by Article X, Section 21, to the Legislature.

The imposition of the tax at the "time and place" of severance are principles particularly suited to Louisiana law.

It is elementary in Louisiana that oil and gas must be reduced to possession to become the subject of ownership. It is at the time of severance or when reduced to possession that oil and gas is owned, and then simultaneously, by the land owner and producer. An interest in minerals merely carries with it the right to explore. In a landmark case, our Supreme Court held that:

"The sale of an interest in the oil and gas which may be beneath the surface of a particular tract of land contains no title to any specific oil and gas, it, nevertheless, carries with it the right to make use of the surface of the land for reduction to possession of the oil and gas that may be found, and, in fact, the last mentioned is alone conveyed in such case, since it is the only right with respect to these fugitive products that the owner of the land, himself, can possess."

Since oil and gas are not owned while in the ground, but only at the time and at the place that they are reduced to possession, the Constitutional prohibition against tax prior to severance is legally proper. Also, it is equitable that the tax be restricted, as now in the Constitution, to the place of severance. It is at the place of severance or at the well where the true value is determined. In most cases, oil and gas are sold many miles away from the place of severance after monies have been spent to transport and make them merchantable. Our Courts have consistently recognized that value is properly determined at the place of severance. We believe that any tax levied after the point of severance is subject to attack as violative of the Commerce Clause of the U. S. Constitution.

Louisiana, in 1921, wrote into its Constitution all the experience it had gained from earlier ventures into mineral taxation. It chose -- and we think wisely -- the specific rather than the ad valorem approach. In 1938, Dr. T. N. Farris of Louisiana State University made these comments:

"The general property tax as applied to natural resources is usually badly administered. In the case in which it is administered properly, the general property tax institutes a discriminating burden on the owner of natural resource-bearing lands."

Expanding on the foregoing, he adds:

"Probably severance taxation would more nearly conserve natural resources than -- ad valorem taxes. When ad valorem rates are imposed, there would seem to be reason to expect the producers to harvest or extract these natural resources of a more valuable kind, leaving the less productive portions unworked or possibly rendered incapable of further extracting."

In this time of complicated taxation, it is refreshing to observe the simplicity of Louisiana's severance tax. By contrast, an ad valorem tax on minerals, if legally proper

would saddle the landowner and Revenue Department with a battery of geologists, engineers and attorneys, the cost of which, in some instances, would exceed the tax. Expense and inequities would unquestionably increase.

It should also be noted that Article X, Section 21, contains two additional prohibitions; one, that no parish or local subdivision shall levy a tax and, two, that no additional tax shall be levied on oil or gas.

This does not mean that the parishes are ignored; to the contrary, Article X, Section 21, provides for revenue participation of the parish from within which the tax is collected. Also, under Article 4, Section 2, such parishes are allocated 10% of the royalties received by the State in the form of the Royalty Road Fund.

Although Article X, Section 21, prohibits any other type tax on oil and gas, the Legislature, as previously indicated, may and consistently has, increased the rate of the severance tax. There simply is no need for a different type tax under these circumstances.

In conclusion, the severance tax principles and prohibitions set forth in Article X, Section 21, should be retained because these principles and prohibitions:

1. Are equitable and compatible with Louisiana oil and gas law;
2. Permit the Legislature flexibility to, and it has, altered the tax to accommodate changing conditions;
3. Permit receipts to be utilized by all the people;
4. Provide ease of administration at a minimum cost;
5. Provide local government a portion of the receipts in recognition of the additional services rendered.

-6-

MINUTES

Minutes of the Subcommittee on Revenues Other Than Property Taxes of the Revenue, Finance and Taxation Committee of the Constitutional Convention of 1973.

Held pursuant to notice mailed by the Secretary of the Convention on June 4, 1973

State Capitol, Baton Rouge, Louisiana,  
Friday, June 8, 1973, 1:15 p.m.

Presiding: Dr. Claude Mauberret, Jr., Vice Chairman of the Subcommittee on Revenues Other Than Property Taxes

PRESENT

Champagne  
Chehardy  
De Blieux  
Fontenot  
Mauberret  
Newton  
Nunez  
Planchard  
Slay

ABSENT

McDaniel  
Triche

After the meeting was called to order by the Vice Chairman, Dr. Claude Mauberret, Jr., and a quorum was ascertained,

discussion began on the proposals presented to the sub-committee by the staff.

Slay moved to delete "All taxes shall be uniform within each class" on page 1, line 11 of the proposal, "For tax structure." With no objections, the motion carried unanimously. With this amendment, Section 1 reads, "Section 1. The power of taxation shall be vested in the legislature and shall never be surrendered, suspended, or contracted away; and shall be imposed for public purposes only."

Discussion then moved to page 2, Section 5. Chehardy asked to be recognized as opposed to the section on Limitations on Taxing Power; Graduated Rates, Severance Tax, and Subdivisions of the State.

In reference to the occupational license tax, De Blieux spoke in favor of deleting it. Champagne spoke in favor of leaving all the limitations out if one of them was going to be left out. This statement was made in reference to page 3, Section (C).

De Blieux moved to delete all words after the word "fuel" on page 3, Section (C), line 3. With the deletion, the section will read, "(C) Subdivisions of the state. Political subdivisions of the state shall not levy taxes on income, natural resources, or motor fuel." Vote on the motion was as follows:

YES	NO
De Blieux	Champagne
Mauberrret	Chehardy
Newton	Fontenot
	Plancharard
	Slay

Motion failed.

Newton moved to delete Section 5(A), page 2, entirely and substitute the words, "Income taxes. Equal and uniform taxes may be levied upon net incomes and may be graduated according to the amount of net income." The vote was as follows:

YES	NO
Mauberrret	Champagne
Newton	Fontenot
	Plancharard
	Slay

Motion failed.

Fontenot moved that Natural Resources be decided by the committee of the whole. No action was taken on this motion.

Newton moved that Section 5(B), page 2, be left out of the proposal. No action was taken on this motion.

Champagne moved to adopt Sections 5(A) and 5(C) on page 2. Vote on Section 5(A) was as follows:

YES	NO
Champagne	Chehardy
De Blieux	Mauberrret
Fontenot	Newton
Plancharard	Slay

Motion failed.

Vote on Section 5(C) was as follows:

YES	NO
Champagne	Chehardy
Fontenot	De Blieux
Mauberrret	Newton
Slay	Plancharard

Motion failed.

Newton called for a vote to adopt Section 5(B), page 2.

The vote was as follows:

YES	NO
De Blieux	Chehardy
Fontenot	Newton
Mauberrret	Plancharard
	Slay

Motion failed.

The staff was asked to rewrite the proposal.

Slay moved to accept Section 2 and Section 3 as written in the "For tax structure" proposal. The vote is as follows:

YES	NO
Champagne	
Chehardy	
De Blieux	
Fontenot	
Mauberrret	
Newton	
Plancharard	
Slay	

Motion carried.

A copy of the adopted Sections are attached hereto and made a part of these minutes.

Plancharard moved that Section 4 of this proposal be transferred to the committee of the whole. With no objections, the motion carried.

The staff asked directions from the members of the subcommittee in reference to the report due on June 22, 1973.

De Blieux moved to adjourn. With no objections, the motion carried and the meeting adjourned at 4:30 p.m.

*Claude Mauberrret, Jr.*  
Chairman

\_\_\_\_\_  
Vice Chairman

\_\_\_\_\_  
Secretary

NOTES

Copies of the adopted sections cited as attached in the Minutes are not found in the Committee files.

MINUTES

Minutes of the meeting of the Subcommittee on Revenues Other Than Property Taxes of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Committee Room 1, State Capitol Building  
Baton Rouge, Louisiana  
Friday, June 22, 1973, 4:00 p.m.

Presiding: Dr. Claude Mauberrret, Jr., Vice Chairman  
of the Subcommittee on Revenues Other Than Property Taxes

Present: Walter Champagne  
Sen. J.D. De Blieux  
Clyde Fontenot  
J.A. McDaniel  
Autley Newton  
Sen. Samuel Nunez, Jr.  
A.J. Planchard  
Charles Slay

ABSENT: Lawrence Chehardy  
Risley C. Triche

The meeting was called to order by Dr. Claude Mauberret, vice chairman, who acted in the absence of the chairman.

Jerry Hood, research staff member, informed the delegates that Sections 1,2,3 and 6 of CC-235 (copy attached) have been adopted by the whole committee.

A motion was made by Delegate Fontenot to refer Section 4 to the whole committee. There being no objection, it was so ordered.

Delegate De Blieux offered a motion to adopt Section 5 as written in CC-235. Delegate Slay offered an amendment to paragraph (B) of Section 5 on page 2, to read as follows: "Severance taxes shall be levied on natural resources severed from the soil or water and no additional tax shall be levied until after severed." Delegate Fontenot offered a substitute motion to adopt Section 5, paragraphs (A) and (B) as drafted in CC-235. Delegate Fontenot's substitute motion carried with an 8-1 vote by the committee.

Delegate Champagne moved for reconsideration of paragraph (C) of Section 5 of CC-235. There being no objection, it was so ordered.

Delegate Fontenot offered a motion to adopt paragraph (C) of Section 5 as was previously drafted and which read as follows: "Political subdivisions of the state shall not levy taxes on income, natural resources severed from the soil or water, or motor fuel, nor shall occupational license taxes be greater than those imposed by the state." This motion carried with a 7-2 vote by the committee.

The subcommittee then considered Article IV, Section 4, paragraphs 10 and 15 of the 1921 Constitution that were assigned to this subcommittee. Delegate Planchard offered a motion to refer these paragraphs to the Committee on Legislative Powers and Functions. There being no objection, it was so ordered.

The subcommittee then considered Article IV, Sections 13 and 18 which were also included in the Subcommittee on Public Finance's report. The chairman offered a motion to defer action on these sections until the other subcommittee's report had been heard. There being no objection, it was so ordered.

-2-

By motion of the chairman, and with no objection by the committee, Article VI, Section 20 was deleted from the 1921 Constitution and transferred to the statutes.

By motion of the chairman, and with no objection by the committee, action on Article X, Section 5 was deferred until the report of the Committee on Local and Parochial Government had been heard.

By motion of the chairman, and with no objection by

the committee, Article X, Section 5.1 was deleted from the 1921 Constitution.

By motion of the chairman, and with no objection by the committee, action on Article X, Sections 6, 11, and 14 was deferred until the report of the Committee on Local and Parochial Government had been heard.

By motion of the chairman, and with no objection by the committee, action on Article XII, Sections 15 and 16 was deferred until the report of the Committee on Education and Welfare had been heard.

By motion of the chairman, and with no objection by the committee, action on Article XIV, Sections 7,8, 14(b.2), 14(m.1), and 14(p) was deferred until the report of the Committee on Local and Parochial Government had been heard.

By motion of the chairman, and with no objection by the committee, Article XIV, Section 21 was deleted from the 1921 Constitution.

By motion of the chairman, and with no objection by the committee, Article XIV, Sections 24.6 and 24.17 were deleted from the present constitution and transferred to the statutes.

-1-

Delegate Champagne offered a motion to delete Article XIX, Section 8 from the 1921 Constitution. Delegate De Blieux offered a substitute motion for the committee to take no action. There being no objection, the substitute motion carried.

At this time a motion for adjournment was made, and there being no objection, it was so ordered.

  
CHAIRMAN

VICE CHAIRMAN

-4-

CC- 235

- 1 Constitutional Convention of Louisiana of 1973
- 2 COMMITTEE PROPOSAL NUMBER
- 3 Introduced by
- 4 A PROPOSAL
- 5 For tax structure.
- 6 PROPOSED SECTIONS:
- 7 Article \_\_\_\_\_, Section 1. Power to Tax; Uniformity;
- 8 Public Purpose
- 9 Section 1. The power of taxation shall be vested in
- 10 the legislature and shall never be surrendered, suspended,
- 11 or contracted away; and shall be imposed for public pur-
- 12 poses only.
- 13
- 14 Source: La. Const. Art. X, §1, ¶1 (1921).
- 15
- 16 Comment: Continues the existing provision vesting the taxing

17 authority in the legislature and imposed the tax only for  
18 public purposes. Remainder of the source provision is  
19 covered by the property tax provision.

21 Section 2. Power to Tax;Limitation

22 Section 2. The levy of a new tax and any increase in  
23 an existing tax shall require the favorable vote of two-  
24 thirds of the members elected to each house of the legis-  
25 lature, as evidenced by a recorded vote. A like vote  
26 shall be necessary for the adoption of amendments to bills  
27 proposing the same and to reports of conference committees.

29 Source: La. Const. Art. III, §25.1; Art. X, §1(a) (1921).

31 Comment: Requires two-thirds vote on all tax matters, thus  
32 making no substantive change in the present law.

34 Section 3. Collection and Refund of Taxes

35 Section 3. The collection of taxes shall not be re-

-2-

CC-235

1 strained, and procedures shall be provided for the re-  
2 covery of taxes illegally paid.

4 Source: La. Const. Art. X, §18 (1921).

6 Comment: This provision is substantially the same as Art. X,  
7 §18, La. Const. 1921.

9 Section 4. Resource Severance Fund

10 Section 4. Three-fourths of the timber severance tax,  
11 one-third of the sulphur severance tax, one-fifth of the  
12 tax on all other natural resources, and one-tenth of the  
13 royalties from mineral leases granted by the state shall  
14 be remitted to the governing authority of the parish from  
15 which the natural resources were severed; however, the  
16 amount of severance tax on minerals so remitted shall not  
17 exceed two hundred thousand dollars annually.

19 Source: La. Const. Art. X, §§1, 21; Art. IV, §2, ¶3 (1921).

21 Comment: Continues the existing dedication of a portion of  
22 the revenue from severance taxes and mineral royalties  
23 to parishes from which severed. Deletes the existing  
24 requirement that limitation royalties be used for trans-  
25 portation purposes.

27 Section 5. Limitations on Taxing Power; Graduated Rates,  
28 Severance Tax, and Subdivisions of the State

29 Section 5. (A) Taxes on income shall be graduated  
30 according to the amount of net income.

31 (B) Severance taxes shall be the only tax on natural  
32 resources.

33 (C) Political subdivisions of the state shall not  
34 levy taxes on income, natural resources, nor motor fuel.  
35

-3-

CC-235

1 Source: La. Const. Art. X, §§1 ¶2, 5, 8, 21; Art. XIV, §24.1 (1921).

2  
3 Comment: Provides for limitation on taxes on incomes, sever-  
4 ance taxes, and taxing power of political subdivisions.  
5 Requires that taxes on incomes be graduated as present  
6 law does. The words "equal" and "uniform" have been  
7 eliminated since they are ambiguous when used in providing  
8 for a graduated income tax. The references to exemption  
9 have been eliminated because "...the power to exempt  
10 from taxation, as well as the power to tax, is an essen-  
11 tial attribute of sovereignty, and are generally granted  
12 only when and to the extent that they may be deemed to  
13 conserve the general welfare. The power to exempt may  
14 be exercised in the constitution or in a statute, unless  
15 the constitution expressly or by implication prohibits  
16 action by the legislature on the subject." (See 84 C.J.S.  
17 414-415.)

18 Also, reference to the income tax schedule of rates  
19 has been deleted which gives the legislature greater  
20 flexibility in establishing the tax rate and base for  
21 the state income tax schedule.

22 The limitation on severance taxes on natural re-  
23 sources represents no substantive change in the present  
24 law. The \$1.03 per ton tax ceiling on sulphur is deleted  
25 since it is already statutory law. (See La. R.S. 47:633.)

26 The limitation on the taxing power of political  
27 subdivisions has been expanded to include a prohibition  
28 of the taxing of incomes. The prohibition against  
29 political subdivisions taxing natural resources and motor  
30 fuel represents no change in the present law.

32 Section 6. Annual Motor Vehicle

33 License Tax

34 Section 6. The legislature shall impose an  
35 annual license tax of three dollars on automobiles for

-4-

CC-235

1 private use; on all other motor vehicles, an annual  
2 license tax based upon horsepower, carrying capacity,

3 or weight, any or all.

4  
5 Source: La. Const. Art. VI, §22 (a) (1921).

6  
7 Comment: No substantial change in the law.

8  
9 Section 7. Forestry

10 Section 7. Forestry shall be practiced in  
11 this state, and the legislature shall enact laws  
12 therefor.

13  
14 Source: La. Const. Art. VI, §2, ¶1 (1921).

15  
16 Comment: This provision is substantially the same as  
17 the first paragraph of Article VI, Section 2. It  
18 provides for the practice of forestry and authorizes  
19 the legislature to make provisions therefor. The  
20 section deletes the provision of Section 2 which  
21 authorizes parish governing authorities to levy  
22 acreage taxes not exceeding two cents per acre.

# 4. Subcommittee on Public Finance

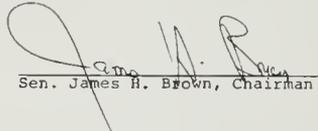
## MINUTES

Minutes of the meeting of the Public Finance  
Subcommittee of the Revenue, Finance and  
Taxation Committee

State Capitol, Baton Rouge, Louisiana

Saturday, March 17, 1973

There being no further business, the subcommittee  
adjourned at 1:15 p.m.

  
Sen. James H. Brown, Chairman

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### Present

Sen. James H. Brown  
Herman Lowe  
F. D. Winchester  
Pegram Mire  
Jasper K. Smith  
David Conroy  
Earl J. Schmitt, Jr.  
Charles A. Badeaux  
Frank M. Edwards, Jr.

The meeting was convened by the temporary chairman, Charles A. Badeaux. The first item of business was the selection of Sen. James H. Brown of Ferriday, chairman, and Pegram Mire of Donaldsonville, vice-chairman. The staff was asked to supply a secretary. It was also stated that the subcommittee felt that a research staff member should be assigned to each subcommittee and should attend each meeting of the subcommittee.

The feasibility of meetings throughout the state was discussed; however, it was decided that the meetings would be held in Baton Rouge unless there is an indication that the subcommittee is expected to meet in other localities.

Several suggestions were made naming agencies whose representatives could give valuable information regarding their operational procedure, which would be beneficial to the subcommittee. Agencies specifically mentioned were the State Treasurer's Office, the State Department of Revenue and the Louisiana Municipal Association.

Requests to the staff included:

- 1) An analysis of the Constitutional provisions relating to Finance.
- 2) A study of the resulting consequences if provisions relating to the following are removed from the Constitutions:
  - (a) Special districts
  - (b) Bonds backed by the full faith and credit of the State
  - (c) Dedicated funds
- 3) A flow chart of finances for state government, including the sources of revenue and expenditures

It was then decided that the chairman and vice-chairman, in consultation, would determine the order of study and persons to be invited to appear before the subcommittee, and would communicate this information to the staff on Tuesday, March 20, 1973.

Before the meeting adjourned, the chairman indicated that Mrs. Duncan should be provided "with funds to scour the state, if necessary," to locate additional staff needed by the subcommittee.

## MINUTES

Minutes of the meeting of the Subcommittee  
on Public Finance of the Committee on Revenue,  
Finance, and Taxation of the Constitutional  
Convention of 1973

Held pursuant to notice mailed by the Secretary  
of the Convention on April 2, 1973

Senate Lounge of the State Capitol  
Baton Rouge, Louisiana  
Friday, April 6, 1973 10:00 a.m.

Presiding: Sen. James H. Brown, Jr., chairman

### Present

Sen. James H. Brown, Jr.  
Herman Lowe  
Pegram Mire  
Earl J. Schmitt  
Charles E. Roemer, III  
Charles Badeaux  
Sheriff Frank M. Edwards

### Absent

John A. Alario, Jr.  
F. D. Winchester  
Jasper K. Smith  
David Conroy

Following the roll call, the subcommittee granted leave without objection for Jasper K. Smith, who had requested leave by mail, and for F. D. Winchester, at the request of Pegram Mire.

Mr. Norris was asked to briefly review the material distributed to the subcommittee.

The chairman then introduced Emil Maciasz and Charles Gaiennie of the state treasurer's office. Mr. Maciasz introduced and distributed to the subcommittee flow charts, explaining in detail the functions and procedures necessary in the collection, disbursement, banking, and investment of state funds, and the agencies involved in state finance.

These charts are entitled: 1) Treasury Administration; 2) Appropriations and Appropriating Process; 3) Debt and Debt Service; and 4) Capital Outlay Budget, and are attached hereto and made a part of these minutes.

Mr. Maciasz and Mr. Gaiennie proposed five changes to be included in the new constitution: 1) that all funds flow directly to a central receiving agency, the state treasurer's office; 2) that no funds be disbursed without legislative authorization; 3) that the Bond Security and Redemption Funds be given constitutional status; 4) that no bonds be issued without legislative authorization, and 5) that all dedications be eliminated.

The subcommittee asked the treasurer's office to submit written recommendations of proposals to be included in the new constitution and the reasons why they should be included.

Ralph R. Perleman of the division of administration explained the function of the budget office and recommended that the composition of the Legislative Budget Committee be changed to include equal numbers of senators and representatives. He recommended that no dedications be included in the new constitution. He suggested that the State Board of Liquidation of the Public Debt be transferred from the constitution to the statutes.

Mr. Norris and Mr. Perleman were asked by the subcommittee to collaborate in writing a proposal regarding the Board of

proposal he submitted to the Committee on the Executive Department. A copy of this proposal is attached hereto and made a part of these minutes.

Following Mr. Burris's presentation, the subcommittee asked that the staff prepare an agenda for the Saturday, April 14, 1973, subcommittee meeting in New Orleans.

The staff was requested to send to those members absent the materials distributed during the meeting and to arrange for transcription of the April 10, 1973, meeting of the Local and Parochial Committee.

Mr. Roemer moved for adjournment and without objection the chairman so ordered.

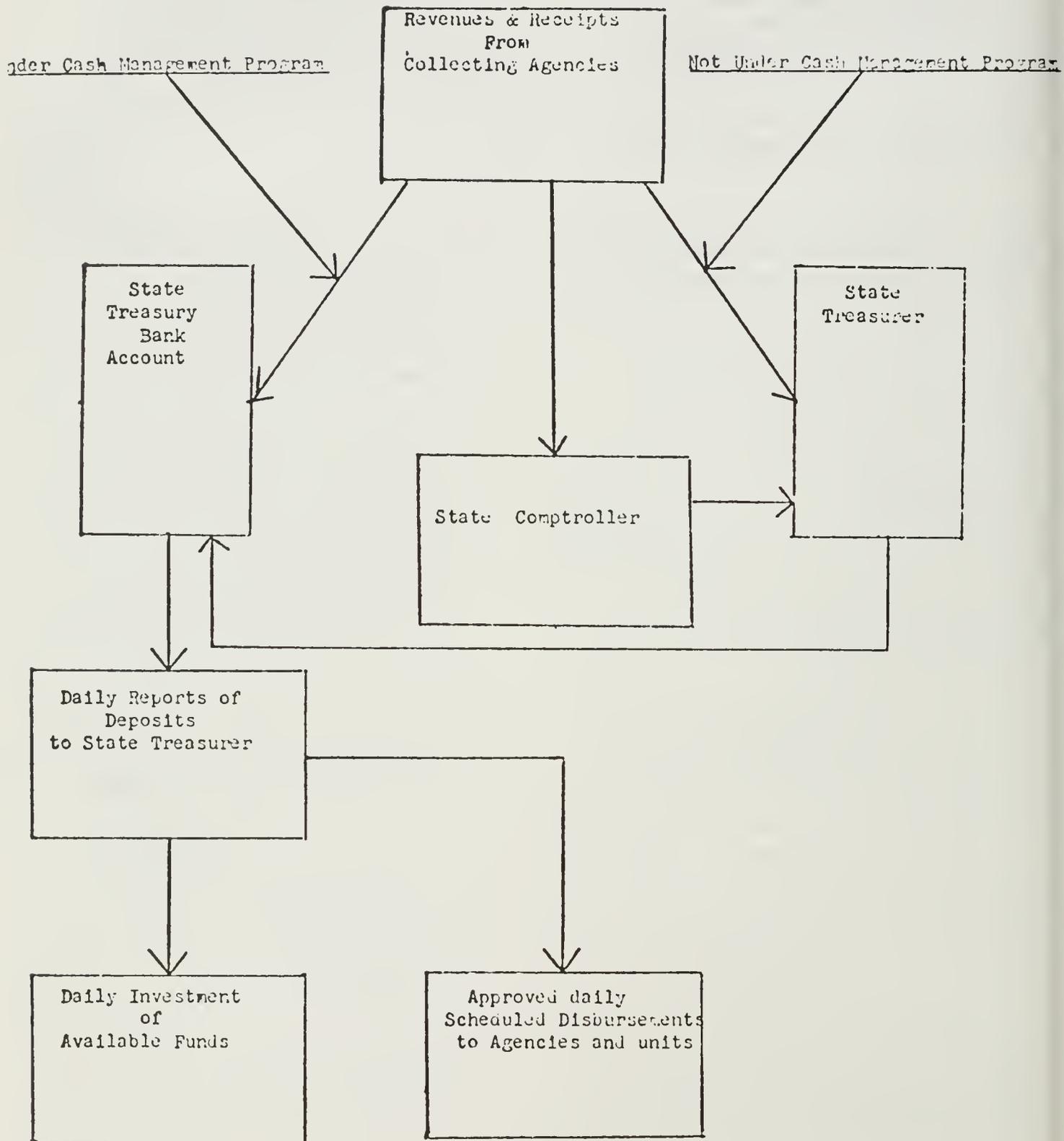
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Liquidation.

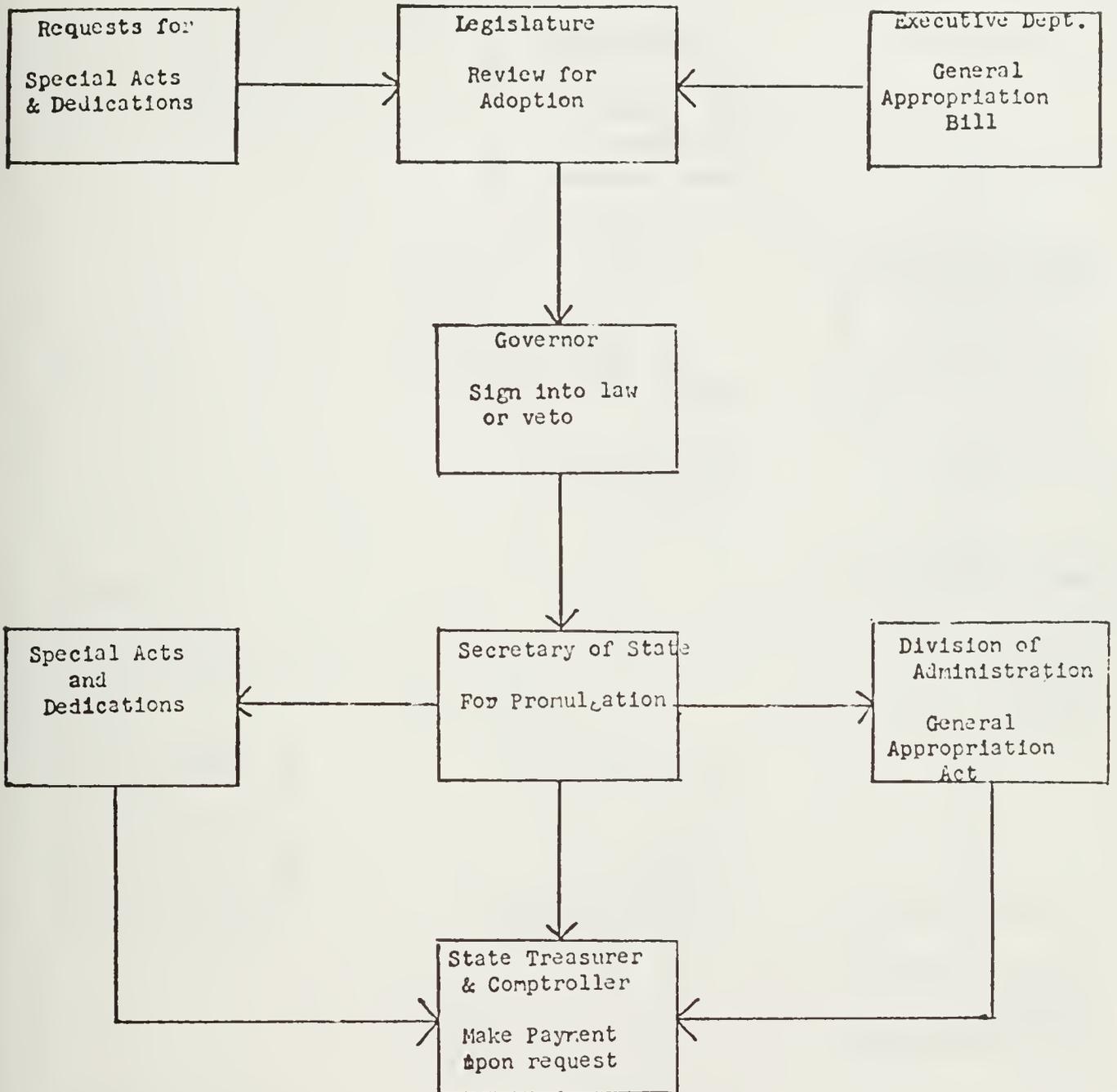
Joe Burris, legislative auditor, traced the history and operation of his office and distributed copies of the

  
Sen. James H. Brown, Jr., Chairman

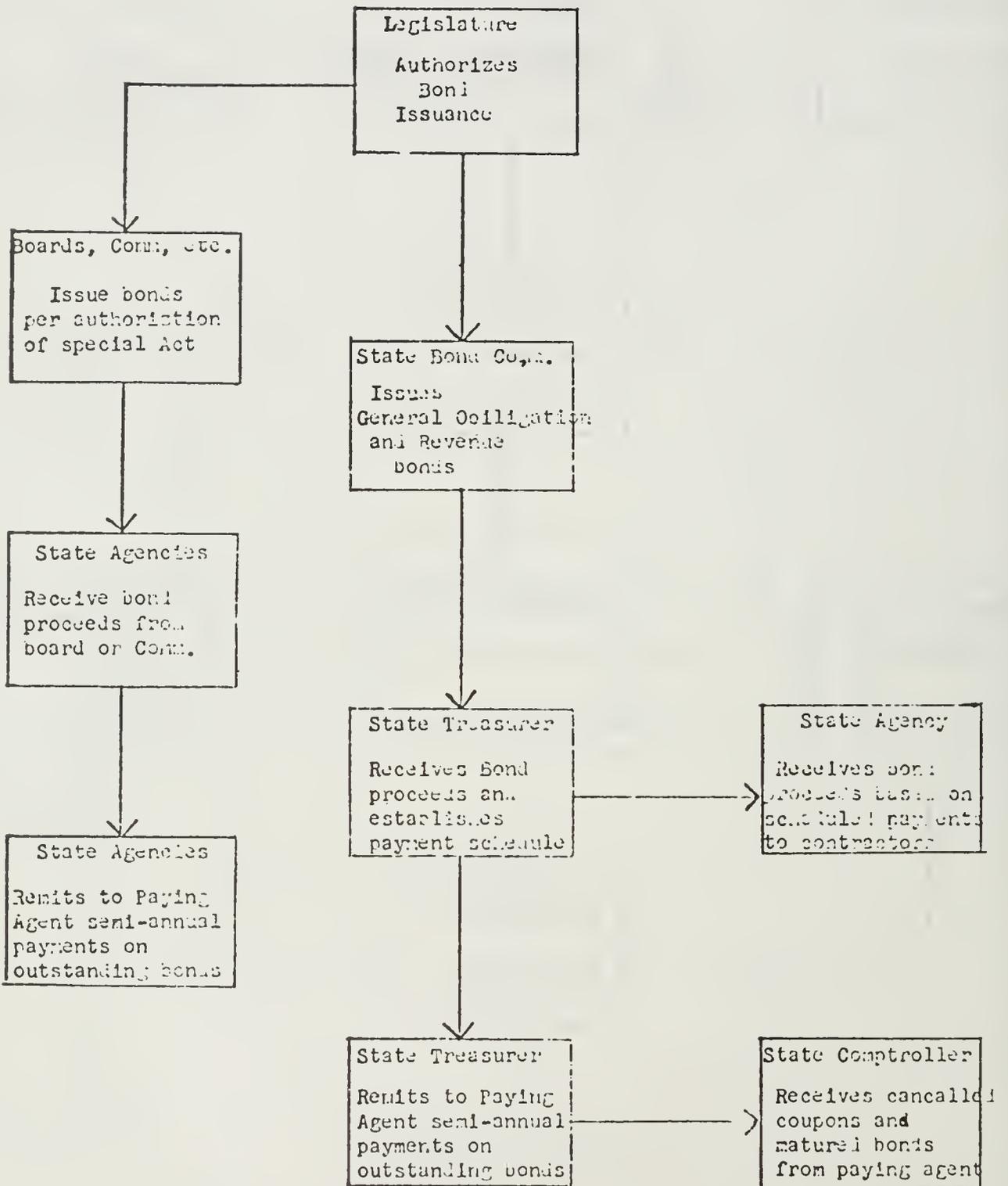
TREASURY ADMINISTRATION

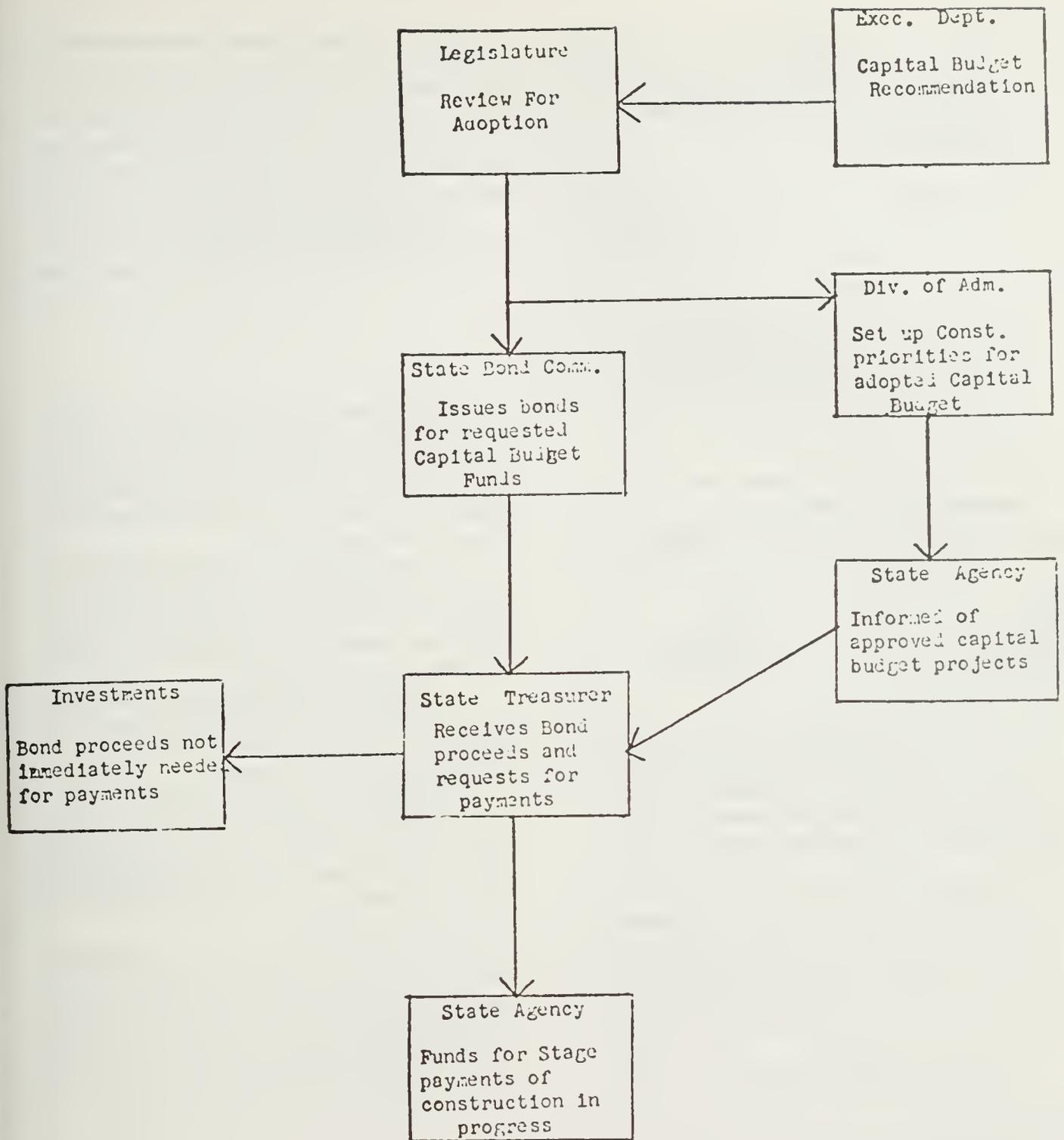


APPROPRIATIONS & APPROPRIATING PROCESS



DEBT AND DEBT SERVICE





## NOTES

Report by the Legislative Auditor is omitted. It may be found in the addenda to the Committee on the Executive Department Minutes, April 2 and April 3, 1973, in Volume XI, above.

### MINUTES

Minutes of the third meeting of the Subcommittee on Public Finance of the Committee on Revenue, Finance, and Taxation of the Constitutional Convention of 1973.

Held pursuant to notice by the Secretary of the Convention on April 19, 1973.

Committee Room 10 of the State Capitol, Baton Rouge, Louisiana, April 27, 1973 at 2:00 p.m.

Presiding: Pegram Mire, vice chairman of the Subcommittee on Public Finance.

#### Present

Pegram Mire, vice chairman  
F. D. Winchester  
David Conroy  
Earl J. Schmitt  
Charles E. Roemer, III  
Frank M. Edwards, Jr.  
John A. Alario, Jr.

#### Absent

Sen. James H. Brown, Jr.  
Herman Lowe  
Jasper K. Smith  
Charles Badeaux

In the absence of the chairman, Sen. James Brown, the meeting was called to order by the vice chairman, Pegram Mire.

Mr. Mire stated that since he had received no report from the chairman, he would give a brief summary of the topics under consideration and the testimony of witnesses previously heard.

Mr. Norris of the research staff asked the subcommittee for some directions as to content and scope of the proposals the subcommittee wished the staff to draft for its consideration.

Mr. Norris reported that data on obsolete provisions, related statutory provisions, and the articles of the 1921 Constitution within the purview of the subcommittee would be distributed to the membership in the near future.

The subcommittee discussed its responsibilities in considering proposals, the scope of those proposals, and the means of proposing changes.

Mr. Roemer suggested that one day prior to the next full committee meeting, the subcommittee meet to review material supplied by the staff and the comments of previous witnesses, and discuss analyses and recommendations from the staff on possible proposals. The subcommittee would then file a written report of the actions thus far in the full committee on the following day.

Mr. Roemer further suggested that the remainder of the meeting be occupied with hearing testimony on the subject of dedications. He asked the staff to attempt to supply expert

speakers from the Highway Department and the State Treasurer's Office.

Following a short recess, the subcommittee returned to hear Emil Maciasz, assistant treasurer of the State Treasurer's Office. Mr. Maciasz, who had previously described for the subcommittee the work of the State Treasurer's Office, reviewed dedicated revenue and its handling.

Responding to a question from Mr. Roemer, Mr. Maciasz explained that the severance tax on natural resources was not a mineral revenue, but a tax collected at the source of production.

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Mr. Mire asked if funds dedicated to bond retirement should be retained in the constitution. Mr. Maciasz stated that retention of the Bond Security and Redemption Fund in the constitution, including all revenues not otherwise dedicated to serve as collateral for the bonds, would be sufficient to guarantee general obligation bonds.

Mr. Maciasz cautioned the subcommittee against lightly considering eliminating from the constitution the Mineral Royalty Fund, explaining its impact to the state. He also urged careful consideration of the parish Royalty Road Fund and retaining its dedication.

In response to Mr. Roemer's query concerning removal from the constitution of all dedications, Mr. Maciasz stated that at this time leeway was provided for such deletions, but that there would be a few problems.

The subcommittee requested that Mr. Maciasz ask his staff to provide the members with comprehensive information on the constitutional dedication of funds, the possible impact that the removal of those funds from the constitution would have, and the advantages and disadvantages of deleting dedications from the constitution.

Phillip K. Jones, general counsel for the State Highway Department, opposed deletion from the constitution of those funds dedicated to highways. The importance of the funds, he said, was at least two fold: 1) as retirement for highway bonds and 2) for contingency planning and operation of the department. He felt the department's function was best served if its security

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was insured, and such security was better insured if funds were not contingent on the whim of the times.

Mr. Jones reviewed with the subcommittee revenue planning, debt service, and federal contributions.

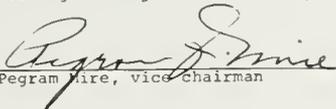
The subcommittee requested that the Department of Highways submit a proposal recommending the inclusion or deletion of provisions presently in the constitution which directly relate to Highway Department funds and dedications. The subcommittee

so voiced its desire to hear William T. Taylor, Jr., director of the State Highway Department, at its next meeting.

Minutes of the last meeting were distributed, but adoption was deferred until a quorum was present.

The subcommittee decided to meet again Thursday, May 10, 1973, at 2 p.m.

Without objection, the meeting was adjourned at 4:15 p.m.

  
Pegram Mire, vice chairman

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#### MINUTES

Minutes of the Subcommittee on Public Finance of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

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

Committee Room 9, State Capitol Building,  
Baton Rouge, Louisiana,  
Thursday, May 10, 1973, 2:00 p.m.

Presiding: Pegram Mire, Vice Chairman of the Subcommittee on Public Finance.

Present:

Sen. James H. Brown  
Herman Lowe  
F. D. Winchester  
Pegram Mire  
David Conroy  
Earl J. Schmitt  
Charles E. Roemer, III  
Sheriff Frank M. Edwards  
Jasper K. Smith

Absent:

John A. Alario, Jr.  
Charles Badeaux

Guest at Arms: Joe Dazzio

Mr. Pegram Mire, vice chairman of the subcommittee, presided in the absence of the chairman. After the call to order, and a quorum of members present, Mr. Mire introduced Mr. Pat Koloski who spoke on behalf of the mayor's office of the city of New Orleans. Mr. Koloski's remarks dealt with fiscal matters in relation to local subdivisions; he made recommendations such as the retention of Article X, Section 1, paragraph 1.

In answer to a question by Mr. Conroy as to the subject of ad valorem taxes relating to this subcommittee or the committee as a whole, Mr. Norris of the research staff advised the members that this subject, indirectly, is related to bonded indebtedness of local subdivisions, which is an area to be covered by the subcommittee. Mr. Koloski recommended: (1) deletion of all mention of rates, limits, and formulas of distribution and allow the legislature to determine; and (2)

the legislature not to be deprived of the power to require subjects or objects to be taxed (wealth, value added, property and stock transfers, etc.); he recommended the specific listing of tax exemptions (Article X, Section 4) be limited only to public property; he recommended that Article IV, Section 12 be amended so as not to prohibit political corporations from joint ventures or exchange of property with nongovernmental entities, if the benefits to be gained are clearly in favor of the public. Also, that such ventures or exchanges be required to attain local and legislative approval. Concerning Article XIV, Section 25, he recommended that all dedication of millage concerning the city of New Orleans be deleted and these powers incorporated into a general home provision permitting political subdivisions to exercise this authority. He also requested preserving the existing millage if these provisions are deleted from the constitution. Mr. Koloski suggested a savings clause

-2-

or something similar remain in effect concerning dedication of millage. A general discussion followed regarding benefits and pay plan of city employees, and city charter procedure as to levying new taxes or increasing existing taxes.

After hearing the recommendations presented by Mr. Koloski, Mr. Reis with the research staff explained the procedure set up by the Committee on Legislative Liaison and Transitional Measures and stated that this procedure is the one this committee is requested to follow. The procedure, as contained in a report by the Coordinating Committee is, first, to decide whether or not you want a provision in the constitution. If you do, there will be a proposal drafted; if you don't it will be deleted, and deleted material will go into one of three categories: 1) the superstatutes; 2) regular statutes; or 3) deleted as obsolete material. Schedules will be attached to the constitution to be voted on by the electorate. The research staff explained that unless provisions were to be deleted from the law that they will be carried on in the law either by special session or by vote of the people and cited the state of Kentucky where the provisions might be included in the constitution if they failed to be enacted into law by vote of the legislature.

The members and the staff then went over the constitutional articles assigned to this subcommittee and made notes concerning the status of each article.

After discussing the office of the legislative auditor, and on the suggestion that Mr. Burris, the present legislative auditor, along with Mr. Joe Casey of the Joint Legislative

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Audit Advisory Committee, be invited to appear at the next subcommittee meeting on Saturday, May 12. Senator Brown asked the staff to contact these speakers and have them available for the specified meeting.

On a motion by Mr. Mire and seconded by Mr. Roemer, the committee agreed to study the three proposals submitted by the research committee and come prepared to take action on these proposals and also to hear testimony by Mr. Burris, legislative auditor, and from the head of the Joint Legislative Audit Advisory Committee, and from the Board of Liquidation. Also, that Mr. Maciasz and Mr. Perlman would be invited for this same date.

On a motion by Mr. Smith and seconded by Mr. Schmitt, minutes of all previous meetings were adopted as written. The motion passed unanimously.

The meeting adjourned at 5:30 p.m., on May 10, 1973.

  
Chairman  
\_\_\_\_\_  
Vice Chairman

#### MINUTES

Minutes of the Subcommittee on Public Finance  
of the Committee on Revenue, Finance and  
Taxation of the Constitutional Convention of  
1973

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

Committee Room 9, State Capitol Building,  
Baton Rouge, Louisiana,  
Saturday, May 12, 1973, 9:00 a.m.

Presiding: Pegram Mire, Vice Chairman of the Subcommittee on  
Public Finance.

#### Present:

John A. Alario, Jr.  
Herman Lowe  
F. D. Winchester  
Pegram Mire  
Jasper K. Smith  
David Conroy  
Earl J. Schmitt  
Charles E. Roemer, III

#### Absent:

Charles Badaeux  
Sen. James H. Brown  
Sheriff Frank M. Edwards

Sgt. at Arms: Joe Dazzio

The Subcommittee on Public Finance reconvened at 2:15 p.m. after having met with the full committee and was called to order by the vice chairman, Pegram Mire. It was the feeling of the majority of the members that no further business would be heard after hearing the guest speaker, Mr. Joseph H. Burris, legislative auditor. As a matter of record, due to the delayed schedule caused by the prolonged meeting of the Committee on Revenue, Finance and Taxation conflicting with previous engagement, Mr. E. J. Maciasz, assistant state treasurer, was unable to appear.

The vice chairman then introduced Mr. Burris who gave

an overall picture of his powers and duties as legislative auditor for the state, as provided for in Article VI, §26 of the constitution. Mr. Burris stated that 33 other states now have legislative auditors and that the trend now is in that direction; he stated further that the legislative audit arrangement now provides a greater amount of freedom for the legislative auditor to pursue his duties in a professional and objective manner. The legislative auditor is presently selected by a majority of the members of the legislature elected to each house and is removed in the same manner; his compensation is set by the legislature. Mr. Burris presented his proposal concerning his office. In discussing professional standards which might be incorporated in a provision, Mr. Burris said he had seen a model audit law prepared by the Council of State Government and most of such arrangements required professional standards for heads of office being either certified public accountants or having a certain number of years of experience in governmental auditing. He agreed that he would support this requirement and stated further that he felt, in the wisdom of the legislature, the person selected would have appropriate

-2-

qualifications. Mr. Burris was questioned concerning reports issued on irregularities of certain state offices and office procedures. Concerning this matter, Mr. Burris stated that he felt the legislative auditor should be free to call attention in reports to any items he thought, in his opinion, were relevant; he also stated that his office has a Joint Legislative Audit Advisory Committee which acts in an advisory capacity to his office. The present law concerning critical audit reports is "that the official or head of office receiving this report shall communicate with that committee within thirty days following receipt of that report." The report then becomes a public record three days after the report becomes final. Delegate Roemer felt that the legislative auditor should first seek independence from control by the executive, judiciary, or legislative branches of government, and secondly, seek independence from familiarity within the department itself.

The meeting adjourned at 3:30 p.m., on May 12, 1973.

  
Chairman  
\_\_\_\_\_  
Vice Chairman

#### MINUTES

Minutes of the meeting of the Subcommittee  
on Public Finance of the Committee on Revenue,  
Finance and Taxation of the Constitutional  
Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on June 4, 1973  
Senate Lounge, State Capitol Building  
Baton Rouge, Louisiana  
Friday, June 8, 1973, 2:00 p.m.

Presiding: James H. Brown, Jr., Chairman of the Subcommittee on Public Finance.

Present: Charles A. Badeaux  
David Conroy  
Pegram Mire  
Charles E. Roemer, III  
Jasper K. Smith  
F. D. Winchester  
Herman "Monday" Lowe

Absent: John A. Alario, Jr.  
Earl J. Schmitt, Jr.  
Frank M. Edwards, Jr.

The chairman called the meeting to order at 2:00 p.m.; the roll was called, and a quorum confirmed.

Mr. Norris, research staff, presented to the subcommittee a proposal for limitations on incurrence of debt by the state, a copy of which is attached hereto and made a part hereof.

Section 1 of the proposal for limitations on incurrence of state debt, entitled "State Debt; Full Faith and Credit Obligations" was discussed in detail. Action of the subcommittee was deferred pending further analysis of the refunding provision contained in lines 18 and 19 of Section 1 (See Appendix for copy). As to the remainder of Section 1, the subcommittee indicated satisfaction although no official action was taken.

Section 2 of the proposal for limitations on incurrence of state debt, entitled "Special Obligations," was discussed by the subcommittee. A motion by Delegate Roemer, seconded by Delegate Smith, to delete Section 2 of the proposal passed. The subcommittee expressed its intention to eliminate the authority of the legislature to issue revenue bonds; under Section 1 of the proposal for limitations on incurrence of state debt, "Special Obligations" all obligations must be secured by the full faith and credit of the state.

The subcommittee then analyzed Section 3 of the proposal for limitations on incurrence of state debt, entitled "State Debt; Maximum Debt Service Expense for All Purposes." By motion of Delegate Smith, seconded by Delegate Roemer, applicability of Section 3 was limited to debt incurred for capital improvements. Delegate Conroy, by substitute motion, seconded by Delegate Roemer, moved that the research staff draft a proposal requiring

2

limitation on state debt, applicable only to capital improvements. After brief discussion, Delegate Conroy, then withdrew this motion.

The subcommittee next reviewed Section 4, entitled

"State Debt; Maximum Time for Repayment." Delegate Roemer moved that the word "bonded" be included after the word "any" and before the word "debt" on line 5. Delegate Smith seconded the motion, which was adopted unanimously by the subcommittee. Delegate Smith moved that Section 4 be adopted as amended, which motion failed for lack of a second. Delegate Roemer next moved that Section 4 be deleted from the proposal for limitation on incurrence of state debt. Delegate Conroy seconded the motion, and the motion carried.

After discussion by the subcommittee of the proposal for limitation on incurrence of state debt, action regarding Section 5 by the subcommittee, was deferred, pending receipt of additional information as to whether the State Bond Commission or State Bond and Tax Board approves the sale of bonds by local political subdivisions.

By motion of Delegate Conroy, seconded by Delegate Lowe, the subcommittee deferred action on Section 6 dealing with interim borrowing for emergencies until the section on contingency appropriations has been considered.

A proposal for the collection, expenditure, and management of state funds was distributed to the subcommittee. Action was deferred until the next meeting.

3

At 5:15 p.m., Delegate Lowe moved to adjourn, which motion passed unanimously.

  
CHAIRMAN  
  
CHAIRMAN  
SECRETARY

4

- 1 Constitutional Convention of Louisiana of 1973
- 2 COMMITTEE PROPOSAL NUMBER
- 3 Introduced by
- 4 A PROPOSAL
- 5 For limitations on incurrence of debt by state.
- 6 PROPOSED SECTIONS:
- 7 Article \_\_\_\_, Section \_\_\_\_. State Debt; Full Faith
- 8 and Credit Obligations
- 9 Section \_\_\_\_\_. (A) The state shall have no power
- 10 to contract, directly or through any state board,
- 11 agency, or commission, the incurring of debt or the
- 12 issuance of bonds secured by all or part of tax revenues
- 13 imposed and collected by the state except upon the
- 14 affirmative vote of two-thirds of the members elected

15 to each house of the legislature, and then only if the  
16 funds are to be used to repel invasion; suppress insur-  
17 rection; provide relief from natural catastrophes  
18 refund outstanding indebtedness if in the best interest  
19 of the state; or make capital improvements.

20 (B) If the purpose is to make capital improvements,  
21 the nature, location, and if more than one project,  
22 the amount allocated to each and the order of priority  
23 shall be stated in an approved capital budget adopted  
24 pursuant to law.

25 (C) The full faith and credit of the state shall  
26 be pledged to the repayment of all bonds or other  
27 evidences of indebtedness issued under the authority  
28 of this Section.

29  
30 Source: La. Const. Art. IV, §2 (1921), as amended by  
31 Acts 1965, No. 168.

32  
33 Comment: "The state shall have no power to contract, directly  
34 or through any state board, agency, or commission,"  
35 is intended to prevent evasion of prohibition against

(2)

1 incurrence of state debt by contracting in the  
2 name of a state board, agency, or commission. Similar  
3 language added to Louisiana Constitution of 1921 by  
4 Acts 1965, No. 168 has been successful in achieving  
5 this purpose.

6 Under this Section state debt may be incurred  
7 only by affirmative vote of two-thirds of the elected  
8 membership of each house of the legislature and then  
9 only for the following purposes: (1) repel invasion,  
10 (2) suppress insurrection, (3) provide relief from  
11 natural catastrophes (4) refund outstanding indebt-  
12 edness if in the best interest of the state, and  
13 (5) make capital improvements.

14 Under Louisiana Constitution of 1921, Art. IV,  
15 §2, state debt may be incurred only upon two-thirds  
16 vote of elected membership of the legislature and then  
17 only for purposes (1), (2), and (5), enumerated in  
18 the immediately preceeding paragraph. In this Section  
19 in addition to emergencies listed in (1) and (2),  
20 (3) was added as a result of the probability of occasional  
21 natural catastrophes such as floods and hurricanes  
22 due to Louisiana's geographical location. Since there  
23 exists some doubt as to whether refunding provisions  
24 must be included in state constitutions for states to  
25 have such authority, to extinguish any doubt (4) was  
26 included to authorize refunding of state debt if in the  
27 best interest of the state. Usually refunding would  
28 be in the best interest of the state only if the

29 maturity date of the original debt were not extended and  
30 only if debt service requirements were not increased.  
31 However, in rare circumstances it might be in the state's  
32 best interest to refund a debt which would result in an  
33 extended maturity date or increased debt service require-  
34 ments. Under this section legislative discretion will  
35 determine refunding, subject to the requirement that

(3)

1 refunding shall be in the best interest of the state.  
2 Under (5) state debt may be incurred to make capital  
3 improvements only if the nature, location, and if  
4 more than one project, the amount allocated to each and  
5 the order of priority is stated in an approved capital  
6 budget adopted pursuant to law.

7 All debt incurred under the authority of this  
8 Section is secured by pledge of the full faith and  
9 credit of the State of Louisiana.

10 Under Louisiana Constitution of 1921, Art. IV, §2  
11 as amended by Acts 1965, No. 168, at the beginning of  
12 the first paragraph is found the language "Except as  
13 otherwise provided herein ...," which phrase in con-  
14 junction with other constitutional provisions of the  
15 Louisiana Constitutional of 1921 authorizes issuance  
16 of general obligation bonds, supported by full faith  
17 and credit of the state, by various agencies such as  
18 Port of New Orleans (La. Const. of 1921, Art. VI, §16).  
19 In this Section omission of the language "Except as  
20 otherwise provided herein ..." is intended to alter  
21 existing law so that general obligation bonds supported  
22 by the full faith and credit of the state can be issued  
23 only upon the affirmative vote of two-thirds of the  
24 elected membership of each house of the legislature.  
25 It is the intention of this Section to force utilization  
26 by the state of a long-term capital improvement plan.

27 Under Louisiana Constitution of 1921, Art. IV, §2  
28 as amended by Acts 1965, No. 168, it is provided, "this  
29 prohibition (against incurrence of state debt) shall  
30 not apply to cities, towns and villages, parishes,  
31 school boards or any other local political subdivisions  
32 of any kind ..." (Explanation in parenthesis supplied).  
33 Omission of this language is not intended to alter existi-  
34 law; this Section applies to all state debt, whether  
35 contracted directly or indirectly, and only local political

(4)

1 subdivisions are intended to be excluded from prohibition  
2 of this Section. (Limitation on incurrence of debt  
3 by local political subdivisions is provided in this  
4 constitution by Art. \_\_\_\_, Section \_\_\_\_.)

5 Omission from this Section of language, "Except

6 as otherwise provided herein ..." is not intended to  
7 abrogate authority granted in this constitution by  
8 Art. \_\_\_\_, Section \_\_\_\_, for emergency borrowing.

9 Under Louisiana Constitution of 1921, Art. IV, §2  
10 as amended by Acts 1965, No. 168, the following is  
11 provided:

12 "... nor shall it (prohibition against  
13 incurrence of state debt) apply to any  
14 state board, authority, commission or  
15 other state agency empowered by other  
16 constitutional authorization or to any  
17 law adopted by the Legislature within  
18 the scope of any such other Constitutional  
19 authorization; nor shall it apply to any  
20 state board, authority, commission or  
21 other state agency created by an Act of  
22 the Legislature with respect to any pro-  
23 posed debt to be incurred thereunder and  
24 any proposed bonds to be issued in connection  
25 therewith where secured solely from the  
26 revenues of the project." Louisiana Consti-  
27 tution of 1921, Art. IV, §2 as amended by  
28 Acts 1965, No. 168. (Explanation in paren-  
29 thesis supplied)

30 The language quoted above providing exceptions  
31 for certain state boards, agencies, and commissions  
32 purposely was omitted from this Section with the intention  
33 of altering existing law. Under this Section no state  
34 debt can be incurred directly or through any state board  
35 or state agency except upon affirmative vote of two-thirds

( )

1 of the members elected to each house of the legislature  
2 and then only for the six purposes enumerated herein.  
3 This change in the law should allay fears of some bond  
4 rating services that the state might revert to compli-  
5 cated bonding practices as a result of loopholes in the  
6 present law allowing exceptions to prohibition against  
7 incurrence of state debt.

8  
9 Section \_\_\_\_. State Debt; Special Obligations

10 Section \_\_\_\_ The legislature may authorize  
11 the incurrence of state debt or the issuance of bond-  
12 secured by nontax revenues for no purpose except to  
13 finance projects identified by nature, location, and  
14 amount in an approved state capital budget adopted  
15 pursuant to law.

16 The full faith and credit of the state shall not  
17 be pledged to secure indebtedness authorized pursuant  
18 to this Section.  
19

20 Source: New

21

22 Comment: Under this Section by simple majority vote the

23 legislature may issue revenue bonds or obligations  
24 secured by nontax revenues from a designated project,  
25 which encompass fees and self-generating revenues including  
26 revenues derived from ownership or the operation of an  
27 undertaking, facility, or project. However, the  
28 legislature may issue obligations under the authority  
29 of this section only for the financing of projects  
30 identified by nature, location, and amount in an  
31 approved state capital budget. This limitation is  
32 intended to force utilization of comprehensive capital  
33 budgeting by the legislature.

34 This Section is intended to eliminate the authority  
35 of state boards, agencies, and commissions to issue

(6)

1 revenue bonds unless approved by majority vote of the  
2 legislature. This elimination of authority to issue  
3 revenue bonds without legislative approval is intended  
4 to force inclusion of all revenue-producing projects  
5 in an approved state capital budget so that recurring  
6 needs of state boards, agencies, and commissions will  
7 be coordinated with the state operating budget.

8 This coordination with the state operating budget  
9 is needed because revenue-producing projects of state  
10 boards, agencies, and commissions normally do have an  
11 impact on state funds. For example, the construction  
12 of a dormitory on a college campus can increase enroll-  
13 ment and require additional classroom space and  
14 teachers, which usually are financed at least partially  
15 with state tax revenues. Therefore, the total impact  
16 of revenue bond issues on the state's financial situation  
17 should be evaluated before such bonds are authorized.

18 The full faith and credit of the state is not  
19 pledged to secure bonds or other evidences of indebt-  
20 edness issued under the authority of this Section.  
21 Obligations incurred hereunder are special obligations  
22 and secured solely by revenues from designated sources.

23  
24 Section \_\_\_\_. State Debt; Maximum Debt Service Expense  
25 for All Purposes

26 Section \_\_\_\_ The legislature shall enact no law  
27 authorizing the incurrence of state debt, whether con-  
28 tracted directly by the state or indirectly through a  
29 state board, agency, or commission, if incurrence of  
30 the indebtedness would result in total annual debt  
31 service requirements on all state obligations, whether  
32 outstanding or authorized and unissued, exceeding an  
33 amount equal to tenpercent of the average total state

34 revenue receipts for the preceding three years.

35

(7)

1 Source: New

2

3 Comment: Under this Section total state indebtedness,  
4 whether contracted directly by the state or through  
5 any state board, agency, or commission, and whether  
6 outstanding, authorized and unissued, or proposed,  
7 shall not result in total annual debt service require-  
8 ments exceeding 10 percent of the average total state  
9 revenue receipts for the preceding three years.

10 As used in this Section, "total state revenue  
11 receipts" includes revenues irrespective of sources.  
12 Thus, inclusive not only are tax collections, but also  
13 all other state revenues, i.e. federal grants, mineral  
14 revenues, etc.

15 As used in this Section, "debt service require-  
16 ments" is intended to mean principal and interest due  
17 on all state obligations, regardless of the manner  
18 of incurrence, and irrespective of status of the  
19 obligations, whether outstanding, authorized and  
20 unissued, or proposed.

21 Many states have avoided constitutional limitations  
22 on state debt by utilization of one or more of the  
23 following concepts, the most often employed being  
24 the following: (1) revenue bonds and the special  
25 fund doctrine: this is a jurisprudential rule, followed  
26 in some states, which provides that issuance of revenue  
27 bonds secured solely by revenue from designated sources  
28 not resulting directly in new or additional taxes, is  
29 a form of borrowing which is not a debt and, therefore,  
30 excluded from the maximum state debt limitation; (2)  
31 state boards, agencies, and commissions: some courts  
32 have held that where the incurrence of debt is con-  
33 tracted in the name of a state board, agency, or com-  
34 mission, state debt is not incurred and, therefore,  
35 the maximum state debt limitation is not applicable.

(d)

1 It is intended this Section will prevent any and all  
2 evasion of the state debt limitation provided herein.

3 Section \_\_\_\_\_. State Debt; Maximum Time for Repayment

4 Section \_\_\_\_\_. Any debt contracted by the state,  
5 directly or through any state board, agency, or com-  
6 mission, shall be redeemed within twenty-five years  
7 from date contracted or within a shorter period not  
8

9 to exceed a reasonable estimate of the useful life  
10 of the project for which the debt was incurred.

11

12 Source: New

13

14 Comment: This Section is intended to prevent the incurrence  
15 of debt for a period of time exceeding the useful  
16 life of the project for which the debt is incurred  
17 and in no event for a term longer than 25 years so that  
18 future generations will not be burdened with obligations  
19 for which little, if any, benefit directly is received.  
20 The maximum 25 year limitation applicable to all state  
21 obligations is intended to promote fiscal responsibility.

22  
23 Section \_\_\_\_\_. State Debt; Political Subdivisions of  
24 the State; Issuance and Sale of Obligations; State  
25 Bond Commission; Approval Required

26 Section \_\_\_\_\_. (A) The State Bond Commission  
27 hereby is created and shall be composed of the governor,  
28 the state treasurer, and the legislative auditor, or  
29 their designees.

30 (B) No bonds or other obligations, whether  
31 secured by the full faith and credit of the state or  
32 by other than the full faith and credit of the state,  
33 shall be issued or sold by the state, directly or  
34 through any state board, agency, or commission, or  
35 by any political subdivision of the state, including

(j)

1 but not necessarily limited to levee boards, school  
2 boards, police juries, municipalities, port and harbor  
3 commissions, drainage, sewerage, and other special  
4 districts, unless prior written approval by majority  
5 vote of the State Bond Commission is obtained.

6  
7 Source: New

8

9 Comment: The State Bond Commission, which under present  
10 law (LSA-R.S. 39:401 et. seq.) is a statutory  
11 commission, is granted constitutional status. Present  
12 membership of nine is reduced to three persons to  
13 promote operating efficiency.

14 No bonds or other obligations of the state or any  
15 political subdivision of the state shall be issued or  
16 sold without prior written approval by majority vote  
17 of the State Bond Commission. It is intended for this  
18 requirement to be applicable irrespective of the nature  
19 of the security involved, i.e., whether obligation is  
20 supported by full faith and credit of state, full faith  
21 and credit of political subdivision of state, or by  
22 revenues from designated sources, etc.

23 Since the financial status of the state is affected  
24 not only by state indebtedness but also by indebtedness  
25 of the state's political subdivisions, to promote  
26 financial stability and fiscal responsibility it is  
27 the intention of this Section to require approval by  
28 majority vote of the State Bond Commission of the  
29 issuance and the sale of all obligations by the state  
30 and its political subdivisions.

31  
32 Section \_\_\_\_\_. State Debt; Interim Borrowing for  
33 Emergencies

34 Section \_\_\_\_\_. During the interim between sessions  
35 of the legislature when there exists an emergency, only

(10)

1 after written certification by the governor and  
2 state treasurer of conditions which require such  
3 action, and only after having obtained as provided  
4 by law the written consent of a majority of the members  
5 elected to each house of the legislature, which  
6 certification and written consents shall be public  
7 record, the State Bond Commission may borrow upon the  
8 credit of the state an amount not to exceed one million  
9 dollars, which is the total amount authorized hereunder  
10 to be outstanding at any time for all purposes.  
11 Nothing contained herein shall prevent the legislature  
12 from reducing the amount of indebtedness which may be  
13 incurred pursuant to this Section.

14 The full faith and credit of the state shall be  
15 pledged to the repayment of any indebtedness incurred  
16 under the authority of this Section.

17  
18 Source: New

19  
20 Comment: The Board of Liquidation of the State Debt,  
21 created pursuant to Louisiana Constitution of 1921,  
22 Art. IV, §1(a), is abolished.

23 This Section makes possible emergency borrowing  
24 between sessions of the legislature only if the governor  
25 and treasurer certify the need therefor and only if  
26 written consent is obtained from a majority of elected  
27 members of each house of the legislature, and the  
28 legislature has the prerogative of determining the  
29 manner by which legislative consent is obtained.

30 Nothing contained herein is intended to prevent  
31 special sessions of the legislature to consider emer-  
32 gency borrowing; this Section simply is an attempt  
33 to avoid the expense and inconvenience of special  
34 sessions unless absolutely necessary.  
35

1 Although this Section sets a maximum indebtedness  
2 which may be outstanding at any one time, the legis-  
3 lature may reduce the indebtedness which may be incurred  
4 hereunder.

5 As used in this Section, "emergency" is intended  
6 to mean an unforeseen occurrence necessitating funds,  
7 which requirement reasonably could not have been  
8 anticipated.

MINUTES

Minutes of the meeting of the Subcommittee  
on Public Finance of the Committee on Revenue,  
Finance and Taxation of the Constitutional  
Convention of 1973

Held, pursuant to notice mailed by the  
Secretary of the Convention on June 9, 1973  
Room 304, LSU Law School Building  
Baton Rouge, Louisiana  
Wednesday, June 13, 1973, 9:00 a.m.

Presiding: Senator James Brown, Jr., chairman of the  
Subcommittee on Public Finance

Present: Pegram Mire  
David Conroy  
Earl J. Schmitt, Jr.  
Charles E. Roemer, III  
Frank M. Edwards, Jr.

Absent: John A. Alario, Jr.  
Herman "Monday" Lowe  
F.D. Winchester  
Jasper K. Smith  
Charles Badeaux

The meeting was called to order by the chairman with  
a quorum present at 10:00 a.m.

Discussion began regarding the Board of Liquidation of  
the State Debt, and the consensus of the subcommittee was  
that a new five man board should be created composed of  
the following members:

- 1) governor
- 2) state treasurer
- 3) legislative auditor
- 4) chairman, Senate Finance Committee
- 5) chairman, House Appropriations Committee

The subcommittee indicated the board to be created as a  
substitute of the Board of Liquidation of the State Debt,  
should have authority to incur indebtedness or to appropriate  
from any surplus in the state general fund only when an  
emergency exists and an emergency is defined as an event  
or occurrence not reasonably anticipated by the legislature.  
The subcommittee determined that the procedure for the  
operation of this new board should be as follows:

- 1) By majority vote of the board, there shall be a certification of the existence of an emergency.
- 2) There shall be a polling of the members of the legislature. Upon an affirmative vote of a simple majority of the members of each house, the board would have authority

to appropriate from surplus in the state general fund or to borrow upon the full faith and credit of the state. The subcommittee recommended that during the period after final adjournment of the regular session of the legislature in the last year of the term of office of a governor and the next regular session of the legislature, the board must secure written consent of two-thirds of the members elected to each house of the legislature.

- 3) The committee thought it wise to impose a limit upon the amount of indebtedness which could be incurred by this new board to be created to act during the interim between sessions of the legislature. The subcommittee decided that this debt limit should be an amount not to exceed one-tenth of one percent of the total revenue receipts for the previous fiscal year.

-2-

- 4) Next the subcommittee, after discussion, decided that where there is incurrence of indebtedness by this board, there should be a provision in the constitution allocating in each fiscal year an amount from the State General Fund which would be sufficient to repay any indebtedness incurred during the preceding fiscal year by this newly created board.

The subcommittee instructed the staff to choose a name for this new board which would be a substitute for the Board of Liquidation of the State Debt. The next order of business of the subcommittee was discussion of the refunding provision contained in a proposal for limitations on incurrence of state debt. Delegate Roemer suggested that the refunding provision contained in the original proposal for limitations on incurrence of state debt should read as follows:

"refund outstanding indebtedness as a financial necessity or to obtain a better interest rate."

The staff was instructed to draft a new proposal with the suggested modifications.

The next order of business to be considered by the subcommittee was whether to abolish dedications. It was the unanimous opinion of the members present that all dedications should be abolished. It was pointed out that this should be the starting position with the understanding that in future deliberations the subcommittee might decide it wise to include in the new constitution a very few dedications.

The next topic of discussion for the subcommittee regarding the section "state debt; full faith and

-3-

credit obligations" of the proposal on limitations on incurrence of state debt. Delegate Roemer suggested that for purposes not enumerated in this section for which the legislature may incur debt, the incurrence of debt should be possible through a public referendum. The staff was instructed to draft a proposal accordingly.

The next topic of discussion for the subcommittee was the consideration of Article IV, §4, paragraph 10, of the Louisiana Constitution of 1921 regarding, "remitting of fines, penalties, and forfeitures, etc." After a short discussion, the subcommittee decided to defer action to the floor of the convention, the reason being that there are paragraphs of this section that have been assigned to many different substantive committees so that any action at this time by the subcommittee would be premature.

At the suggestion of Delegate Conroy the subcommittee decided to go on record as disagreeing with §12 of CC-1000, the final first proposal by the Committee on Legislative Powers and Functions. The subcommittee requested the staff to send a letter on its behalf to Sen. Cecil Blair, chairman of the Committee on Legislative Powers and Functions, indicating dissatisfaction.

In discussing Article IV, §8 of the Louisiana Constitution of 1921, Delegate Roemer moved, with a second by Delegate Mire, to retain this section in the new constitution as it is presently written. Because of a tie vote, the subcommittee instructed the staff to draft a proposal with basically similar language; this proposal would then be

-4-

submitted to the committee of the whole.

Next, the subcommittee indicated agreement with Sections 9, 10, and 11 of CC-1000, a proposal drafted by Legislative Powers and Functions. The subcommittee instructed the staff to draft similar language regarding appropriations.

At this time the subcommittee recessed for lunch and reconvened at 2:00 p.m.

The next order of business by the subcommittee was a section-by-section analysis of provisions of the Louisiana Constitution of 1921 assigned to this subcommittee. Subcommittee action on the various sections assigned for its consideration is contained in a preliminary report dated June 15, 1973, attached hereto and made a part of these minutes. This preliminary report accurately reflects the action of this subcommittee on the various constitutional articles and sections assigned for its consideration.

In addition, regarding the Louisiana Constitution of 1921, Article IV, §12, the subcommittee instructed the staff to draft a proposal changing "granted" on the second line to "donated." Also, the subcommittee wished to include a section therein allowing intercooperation between the state and its political subdivisions and between political subdivisions. The subcommittee asked the staff to inform the Committee on Local and Parochial Government of this subcommittee's action abolishing the authority of the state or its boards, agencies, or commissions to issue revenue bonds. Also, the subcommittee

asked the staff to inform Committee on Local and Parochial Government of a willingness to coordinate on various

-5-

sections requiring coordination.

Regarding Article VI, §26, paragraph 2, dealing with the legislative auditor, the subcommittee indicated the staff should consult with Delegate Lowe regarding suggestions for a constitutional provision concerning the legislative auditor.

The subcommittee asked the staff to prepare a proposal in accordance with the wishes of the subcommittee as expressed in its deliberation today.

In accordance with the subcommittee's request, attached is a copy of CC-234, a proposal for limitations on incurrence of state debt and for the collection, expenditure, and management of state funds. CC-234 was drafted to conform to the instructions the subcommittee expressed in this meeting of June 13, 1973.

Copies of RS47:1801 et seq and copies of RS39:1401 et seq regarding the State Bond Commission were distributed at the meeting. We also distributed copies of a flow chart of the dispensing of all state revenues, labeled "Revenue Receipts Distributed by Major Funds, 1971-1972."

Having completed its business, the subcommittee adjourned at 4:30 p.m.

  
CHAIRMAN  
VICE CHAIRMAN

#### NOTES

The addendum to these Minutes is a copy of the proposal attached to the preceding Minutes, June 8, 1973.

#### MINUTES

Minutes of the meeting of the Subcommittee on Public Finance of the Committee on Revenue, Finance and Taxation of the Constitutional Convention of 1973

Held, pursuant to notice mailed by the Secretary of the Convention on June 16, 1973  
Committee Room 5, State Capitol Building  
Baton Rouge, Louisiana  
Thursday, June 21, 1973, 4:00 p.m.

Presiding: James H. Brown, Jr., chairman of the Subcommittee on Public Finance

Present: Rep. John Alario, Jr.  
David Conroy  
Sheriff Frank M. Edwards, Jr.  
Herman "Monday" Lowe  
Pegram Mire  
Charles E. Roemer, III  
Earl J. Schmitt, Jr.  
Jasper K. Smith  
F.D. Winchester

Absent: Charles A. Badeaux

The chairman called the meeting to order at 4:00 p.m.; the roll was called and a quorum confirmed.

Mr. Charles Gaiennie, Jr., State Bond Commission, Mr. E.J. Maciasz, treasurer's office, Mr. Ralph Perlman, Div. of Administration, and Mr. Charles E. Roemer, Comm. of Administration, were present at the meeting to answer any question the committee might have.

The committee began discussion on Section 6 of CC-234, the Subcommittee on Public Finance's proposal. (See attachment) Delegate Roemer offered a motion for a vote on the section to determine the feelings of the committee on the wording of the section. The motion carried with a 6-3 vote by the delegates, therefore adopting section 6 as is.

Section 7 on expenditure of state funds of CC-234 was discussed next by the committee. Delegate Roemer offered a motion to delete the words "two years" on line 12 of section 7, paragraph(B), and insert in lieu thereof the words "one year." There being no objection the motion carried.

Delegate Schmitt offered a motion to delete starting with the word "money" on line 22 of section 7, paragraph(D) of CC-234 and ending with the word "authority" on line 35. Delegate Smith offered a substitute motion to retain section 7, paragraph (D) as worded in CC-234. It was decided by the committee to vote on paragraph(D) in two parts. Lines 20-29 of paragraph(D) were adopted with a vote of 6-3 by the committee. Lines 29-35 were referred to the full committee because of a tie vote (5-5) by the committee.

Delegate Schmitt offered a substitute motion to delete on line 25 of Section 7, paragraph(D) of CC-234, the words "or teacher thereof." The motion failed with a 7-2 vote by the committee.

Section 9 on page 13 of CC-234 was adopted by the committee with no objection.

-2-

Section 10 on page 13 of CC-234 was adopted by the committee with no objection.

The committee then discussed Section 2 on page 5 of CC-234 and decided to delete after the word "from" on line 31 the words "any surplus" and the word "in" on line 32 and also the words "as certified by the treasurer," after the word "Fund." There being no objection, it was so ordered.

The staff was requested to include in the draft of Section 2, paragraphs (B) and (C) on page 6 of CC-234 appropriations in the limit of total indebtedness permissible under Section 2.

The committee then decided to change the wording on

lines 21-22 of Section 2 on page 5 to read "then only for a purpose for which the legislature may appropriate funds under this constitution." There being no objection, it was so ordered.

Delegate Edwards offered a suggestion on Section 3, page 7 of CC-234, line 29 to have it read as follows: "equal to ten percent of the average total state revenue receipts available for debt service for the preceding three years."

Delegate Lowe offered a motion that Section 3, on page 7 of CC-234 be deleted in its entirety. Delegate Conroy offered a substitute motion to retain Section 3 with the substitution of fifteen percent. The substitute motion failed with a vote of 8-1 by the committee. The original motion carried with a vote of 7-2 of the committee.

The committee then discussed Section 11, paragraph (C), on page 15 of CC-234 and decided it should be deleted.

-3-

There being no objection it was so ordered.

Delegate Mire offered a motion to adopt CC-234, Subcommittee on Public Finance's proposal, as amended.

There being no objection it was so ordered.

The meeting adjourned at 7:15 p.m.

  
CHAIRMAN

June 21, 1973

Subcommittee on Public Finance

ROLL CALL

Brown	✓	yes	--	--	no	--	--
Alario	✓	yes	no	yes	no	no	yes
Lowe	✓	no	yes	no	yes	no	yes
Winchester	✓	no	no	no	no	no	yes
Mire	✓	yes	yes	no	yes	no	yes
Smith	✓	yes	yes	no	yes	no	yes
Conroy	✓	yes	yes	no	yes	yes	no
Schmitt	✓	no	yes	no	no	no	yes
Roemer	✓	yes	yes	no	yes	no	no
Badeaux	✓						
Edwards	✓	no	yes	no	no	no	yes

1. Roemer mot. to adopt Sec. 6 of CC-234 as is. CARRIED 6-3
2. Smith sub. mot. to retain Sec. 7 par. D in CC-234. Lines 20-29 CARRIED 6-3
4. Schmitt sub. mot. to delete words on line 25 of Sec. 7. FAILED 7-2
3. Lines 29-35 - Sec. 7 Par. D TIED 5-5
5. Conroy's sub. mot. to adopt Sec. 3 of CC-234 substituting 15%. FAILED 8-1
6. Lowe's mot. to delete Sec. 3 in its entirety. CARRIED 7-2

CC- 234

1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4

A PROPOSAL

5 For limitations on incurrence of state debt; for the  
6 collection, expenditure, and management of state funds.

7 PROPOSED SECTIONS:

8 Article     , Section 1. State Debt; Full Faith and  
9 Credit Obligations

10 Section 1. (A) The state shall have no power  
11 to contract, directly or through any state board, agency,  
12 or commission, the incurring of debt or the issuance of  
13 bonds secured by all or part of tax revenues imposed  
14 and collected by the state except upon the affirmative  
15 vote of two-thirds of the members elected to each house  
16 of the legislature, and then only if the funds are to  
17 be used to repel invasion; suppress insurrection; provide  
18 relief from natural catastrophes; refund outstanding  
19 indebtedness, but only if required by financial necessity  
20 or in order to obtain lower interest expense; or make  
21 capital improvements, but only in accordance with a  
22 comprehensive capital budget, which the legislature  
23 shall adopt.

24 (B) If the purpose is to make capital improvements,  
25 the nature, location, and if more than one project,  
26 the amount allocated to each and the order of priority  
27 shall be stated in the comprehensive capital budget  
28 which the legislature adopts.

29 (C) The full faith and credit of the state shall  
30 be pledged to the repayment of all bonds or other evidences  
31 of indebtedness issued by the state directly or through  
32 any state board, agency, or commission.

33 (D) The legislature, by two-thirds affirmative  
34 vote of the members elected to each house thereof, may  
35 propose a public referendum for the incurrence of debt for  
any purpose for which the legislature is not herein authorized  
to incur debt.

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1 Source: La. Const. Art. IV, §2 (1921), as amended by Acts  
2 1965, No. 168.

3  
4 Comment: "The state shall have no power to contract, directly  
5 or through any state board, agency, or commission," is  
6 included to prevent evasion or prohibition against incur-  
7 rence of state debt by contracting in the name of a state  
8 board, agency, or commission. Similar language added  
9 to Louisiana Constitution of 1921 by Acts 1965, No. 168  
10 has been successful in achieving this purpose.

11 Under this Section state debt may be incurred only  
12 by affirmative vote of two-thirds of the elected member-

13 ship of each house of the legislature and then only for  
14 the following purposes: (1) repel invasion, (2) suppress  
15 insurrection, (3) provide relief from natural catastrophes,  
16 (4) refund outstanding indebtedness only if a financial  
17 necessity or to obtain lower interest expense, and (5)  
18 make capital improvements.

19 Under Louisiana Constitution of 1921, Art. IV, §2,  
20 state debt may be incurred only upon two-thirds vote of  
21 elected membership of the legislature and then only for  
22 purposes (1), (2), and (5), enumerated in the immediately  
23 preceding paragraph. In this Section, in addition to  
24 emergencies listed in (1) and (2), number (3) was added  
25 as a result of the probability of occasional natural  
26 catastrophes such as floods and hurricanes due to Louisiana's  
27 geographical location. Since there exists some doubt  
28 as to whether refunding provisions must be included in  
29 state constitutions for states to have such authority, to  
30 extinguish any doubt (4) was included to authorize refunding  
31 of state debt only if necessary because of a financial  
32 necessity or to obtain lower interest expense. Under this  
33 Section legislative discretion will determine refunding,  
34 subject to the requirement that refunding is allowed only  
35 if a financial necessity or to obtain lower interest ex-

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1 pense. Under (5) state debt may be incurred to make  
2 capital improvements only if the nature, location, and  
3 if more than one project, the amount allocated to each  
4 and the order of priority is stated in a comprehensive  
5 capital budget which shall be adopted by the legislature.  
6 Under this Section the legislature is intended to have  
7 authority to incur indebtedness to make capital improve-  
8 ments only if the improvements are included in a compre-  
9 hensive state capital budget. It is the intention of  
10 this Section to force utilization by the state of a long-  
11 term capital improvement plan.

12 All state indebtedness, whether contracted in the  
13 name of the state or in the name of a state board, agency,  
14 or commission, is secured by pledge of the full faith and  
15 credit of the State of Louisiana. After the adoption of  
16 this constitution, no revenue bonds may be issued by the  
17 state or any state board, agency, or commission.

18 Under Louisiana Constitution of 1921, Art. IV, §2  
19 as amended by Acts 1965, No. 168, it is provided, "this  
20 prohibition (against incurrence of state debt) shall not  
21 apply to cities, towns and villages, parishes, school  
22 boards or any other local political subdivisions of any  
23 kind..." (Explanation in parentheses supplied). Omission  
24 of this language is not intended to alter existing law;  
25 this Section applies to all state debt, whether contracted  
26 directly or indirectly, and only local political subdivi-

27 sions are intended to be excluded from prohibition of  
28 this Section. (Limitation on incurrence of debt by local  
29 political subdivisions is provided in this constitution  
30 by Art. \_\_\_\_\_, Section \_\_\_\_\_.)

31 It is not intended that this Section abrogate  
32 authority granted in this constitution by Art. \_\_\_\_\_,  
33 Section \_\_\_\_\_. to the Interim Emergency Board for emer-  
34 gency borrowing.

35 Under Louisiana Constitution of 1921, Art. IV, §2

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1 as amended by Acts 1965, No. 168, the following is pro-  
2 vided:

3 "...nor shall it (prohibition against  
4 incurrence of state debt) apply to any  
5 state board, authority, commission or  
6 other state agency empowered by other  
7 constitutional authorization or to any  
8 law adopted by the Legislature within  
9 the scope of any such other Constitu-  
10 tional authorization; nor shall it ap-  
11 ply to any state board, authority, com-  
12 mission or other state agency created  
13 by an Act of the Legislature with re-  
14 spect to any proposed debt to be in-  
15 curred thereunder and any proposed bonds  
16 to be issued in connection therewith  
17 where secured solely from the revenues  
18 of the project." Louisiana Constitution  
19 of 1921, Art. IV, §2 as amended by Acts  
20 1965, No. 168. (Explanation in paren-  
21 theses supplied)

22 The language quoted above providing exceptions for  
23 certain state boards, agencies, and commissions purposely  
24 was omitted from this Section with the intention of alter-  
25 ing existing law. Under this Section no state debt can  
26 be incurred directly or through any state board or state  
27 agency except upon affirmative vote of two-thirds of the  
28 members elected to each house of the legislature and then  
29 only for the five purposes enumerated herein. This change  
30 in the law should allay fears of some bond rating services  
31 that the state might revert to complicated bonding  
32 practices as a result of loopholes in the present law  
33 allowing exceptions to prohibition against incurrence of  
34 state debt.

35 Under Louisiana Constitution of 1921, Art. IV, §2,

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1 the above quoted exception in conjunction with other con-  
2 stitutional provisions authorizes issuance of bonds sup-

ported by the full faith and credit of the state by various agencies such as Port of New Orleans (Louisiana Constitution of 1921, Art. VI, §16 et seq ) omission from this Section if the above quoted exception is intended to alter existing law so that only bonds supported by the full faith and credit of the state may be issued and then only by affirmative vote of two-thirds of the elected membership of each house of the legislature.

Section 2. State Debt; Interim Emergency Board

Section 2. (A) The Interim Emergency Board hereby is created and shall be composed of the governor, the state treasurer, the legislative auditor, the chairman of the Senate Finance Committee, and the chairman of the House Appropriations Committee, or their designees.

(B) During the interim between sessions of the legislature, whenever it is determined by majority vote of the Interim Emergency Board that an emergency exists, and then only for a purpose for which the legislature may incur indebtedness under this constitution, after having obtained, as provided by law, the written consent of a simple majority of all members elected to each house of the legislature; provided however, the written consent of two-thirds of the members elected to each house of the legislature shall be obtained during the period after final adjournment of the regular session of the legislature in the last year of the term of office of a governor and the next regular session of the legislature, the Interim Emergency Board may appropriate from any surplus in the State General Fund, as certified by the treasurer, or borrow upon the full faith and credit of the state an amount to care for an emergency, which is an event or occurrence not reasonably anticipated by the legislature.

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(C) The total amount of indebtedness outstanding at any one time under the authority of this Section shall not exceed one-tenth of one percent of total state revenue receipts for the previous fiscal year.

(D) Each fiscal year as a first priority there hereby is allocated from the State General Fund an amount sufficient to pay any indebtedness incurred during the preceding fiscal year under the authority of this Section.

Source: La. Const. Art. IV, §§1(a) and 17 (1921).

Comment: The Board of Liquidation of the State Debt, created pursuant to Louisiana Constitution of 1921, Art. IV, §1(a), is abolished; the Interim Emergency Board is created with powers, duties, and functions different from the Board of Liquidation of the State Debt.

Under this Section it is intended the Interim Emergency Board is authorized to appropriate from any surplus in the State General Fund or to borrow upon the full faith and credit of the state only if the following conditions are met:

(1) Certification by the board that there exists an emergency, which is an event or occurrence not reasonably anticipated by the legislature;

Note: It is not intended the Interim Emergency Board shall have authority to appropriate from a surplus in the State General Fund or to borrow upon the full faith and credit of the state for any cause which already has been considered by the legislature or which reasonably could have been foreseen by the legislature.

(2) Receipt of written consent by majority of all members elected to each house of the legislature, provided that written consent of two-thirds of members elected to

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each house of the legislature is required during the period between final adjournment of the regular session of legislature in the last year of term of office of a governor and the next regular session of the legislature.

Note: During the time period specified, requirement of two-thirds vote is intended to make more difficult action by lame-duck legislature.

(3) The emergency shall be for a purpose for which the legislature may incur indebtedness under this constitution;

(4) The total amount of indebtedness outstanding at any time under the authority of this Section shall not exceed one-tenth of one percent of total state revenue receipts for the previous fiscal year.

Note: "Total state revenue receipts" is intended to include all revenue receipts, whether or not of a tax nature. Therefore, inclusive are federal grants, mineral revenues, etc.

Source: New

Comment: Under this Section total state indebtedness, whether contracted directly by the state or through any state

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board, agency, or commission, and whether outstanding, authorized and unissued, or proposed, shall not result in total annual debt service requirements exceeding

4 10 percent of the average total state revenue receipts  
5 for the preceding three years.

6 As used in this Section, "total state revenue re-  
7 cepts" includes revenues irrespective of sources. Thus,  
8 inclusive not only are tax collections, but also all  
9 other state revenues, i.e. federal grants, mineral reven-  
10 ues, etc.

11 As used in this Section, "debt service requirements"  
12 is intended to mean principal and interest due on all  
13 state obligations, regardless of the manner of incurrence,  
14 and irrespective of status of the obligations, whether  
15 outstanding, authorized and unissued, or proposed.

16 Many states have avoided constitutional limitations  
17 on state debt by utilization of one or more concepts,  
18 the most often employed being the following: (1) revenue  
19 bonds and the special fund doctrine: this is a juris-  
20 prudential rule, followed in some states, which provides  
21 that issuance of revenue bonds, secured solely by revenue  
22 from designated sources not resulting directly in new or  
23 additional taxes, is a form of borrowing which is not a  
24 debt and, therefore, excluded from the maximum state debt  
25 limitation; (2) state boards, agencies, and commissions:  
26 some courts have held that where the incurrence of debt  
27 is contracted in the name of a state board, agency, or  
28 commission, state debt is not incurred and, therefore, the  
29 maximum state debt limitation is not applicable. It is  
30 intended this Section will prevent any and all evasion of  
31 the state debt limitation provided herein.

32  
33 Section 4. State Debt; Maximum Time for Repayment

34 Section 4. Any bonded debt contracted by the state,  
35 directly or through any state board, agency, or commission,

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1 shall be redeemed within twenty-five years from date  
2 contracted or within a period not to exceed a reasonable  
3 estimate of the useful life of the project for which the  
4 debt was created as stated in the law authorizing the  
5 incurrence of debt for the project.

6  
7 Source: New

8  
9 Comment: This Section is intended to prevent the incurrence  
10 of debt for a period of time exceeding the useful life of  
11 the project for which the debt is incurred. If there is  
12 no reasonable estimate of the useful life of the project  
13 in the law authorizing incurrence of debt for the project,  
14 then the maximum term for repayment is 25 years. Under  
15 this Section it is intended future generations will not  
16 be burdened with obligations for which little, if any,

17 benefit directly is received. Also this Section is in-  
18 tended to promote fiscal responsibility.

19  
20 Section 5. State Debt; Political Subdivisions of the  
21 State; Issuance and Sale of Obligations; State Bond  
22 Commission; Approval Required

23 Section 5. (A) The State Bond Commission hereby is  
24 created and its membership shall be determined by the leg-  
25 islature.

26 (B) No bonds or other obligations shall be issued or  
27 sold by the state, directly or through any state board,  
28 agency, or commission, or by any political subdivision of  
29 the state, including but not necessarily limited to levee  
30 boards, school boards, police juries, municipalities, port  
31 and harbor commissions, drainage, sewerage, and other  
32 special districts, unless prior written approval of the  
33 State Bond Commission is obtained.

34  
35 Source: New

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1 Comment: The State Bond Commission, which under present law  
2 (LSA-R.S. 39:401 et seq) is a statutory commission, is  
3 granted constitutional status. Membership of the commis-  
4 sion shall be determined by the legislature.

5 No bonds or other obligations of the state or any  
6 political subdivision of the state shall be issued or  
7 sold without prior written approval of the State Bond  
8 Commission. It is intended for this requirement to be  
9 applicable irrespective of the nature of the security  
10 involved, i.e., whether obligation is supported by full  
11 faith and credit of state, full faith and credit of po-  
12 litical subdivision of state, or by revenue bonds issued  
13 by political subdivisions.

14 Since the financial status of the state is affected  
15 not only by state indebtedness but also by indebtedness  
16 of the state's political subdivisions, to promote  
17 financial stability and fiscal responsibility it is the  
18 intention of this Section to require approval of the  
19 State Bond Commission of the issuance or sale of all  
20 obligations by the state and its political subdivisions.

21  
22 Section 6. Collection of State Funds; Bond Security  
23 and Redemption Fund

24 Section 6. All moneys received by the state or by  
25 any state board, agency, or commission, immediately upon  
26 receipt, shall be deposited in the state treasury, except  
27 moneys received as grants or donations or other forms of  
28 assistance when the terms and conditions thereof require  
29 otherwise.

30 Subject to contractual obligations existing at the  
31 time this constitution is adopted, all state moneys

32 deposited in the state treasury, except moneys received  
33 as grants or donations or other forms of assistance when  
34 the terms and conditions thereof require otherwise, shall  
35 be credited to a special fund designated as the Bond

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1 Security and Redemption Fund. In each fiscal year  
2 there hereby is allocated from the Bond Security and  
3 Redemption Fund an amount sufficient to pay all  
4 obligations, including but not necessarily limited  
5 to principal, interest, premiums, sinking or reserve  
6 fund requirements, which are secured by the full faith  
7 and credit of the state and which become due and pay-  
8 able within the current fiscal year. Thereafter, all  
9 moneys remaining in the Bond Security and Redemption  
10 Fund shall be credited to the State General Fund.

11  
12 Source: New

13  
14 Comment: As used in this section, "All moneys received by  
15 the state or by any state board, agency, or commission"  
16 is intended to include all revenue receipts, irrespec-  
17 tive of source.

18 The language "Subject to contractual obligations  
19 existing at the time this constitution is adopted"  
20 is intended to protect the holders of outstanding  
21 obligations of the State of Louisiana and its boards,  
22 agencies, and commissions. Nothing herein is intended  
23 to impair any contractual obligations existing at the  
24 time this constitution is adopted.

25 The language "except moneys received as grants  
26 or donations or other forms of assistance" is intended  
27 to include all grants, donations, or other forms of  
28 assistance, whether public or private.

29 Under this section all obligations secured by the  
30 full faith and credit of the state additionally will  
31 be secured by the Bond Security and Redemption Fund,  
32 to which is allocated each fiscal year a sum sufficient  
33 fully to pay all obligations maturing within the  
34 current fiscal year. The Bond Security and Redemption  
35 Fund is intended to provide a first priority for

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1 payment of all obligations due and payable within the  
2 current fiscal year. After satisfaction of all such  
3 obligations, the balance in the Bond Security and  
4 Redemption Fund is credited to the State General Fund.

5  
6 Section 7. Expenditure of State Funds

7 Section 7. (A) Money shall be drawn from the

8 state treasury only pursuant to an appropriation made  
9 in accordance with law. Each appropriation shall be  
10 for a specific sum of money and for a specified object.

11 (B) An appropriation shall be for a term no longer  
12 than two years, and the legislature shall provide for  
13 the publication of a regular statement of receipts and  
14 expenditures of all state moneys at intervals of not  
15 less than a year.

16 (C) An appropriation never shall allocate to any  
17 object the proceeds of any particular tax or a part or  
18 percentage thereof except when required by the federal  
19 government for participation in federal programs.

20 (D) An appropriation never shall be made under the  
21 head or title of contingent, nor shall an appropriation  
22 be made except for public purposes. Money never shall  
23 be taken from the public treasury, directly or indirectly,  
24 in aid of any church, sect or denomination of religion,  
25 or in aid of any priest, preacher, minister, or teacher  
26 thereof, as such, and a preference never shall be  
27 given to, nor any discrimination made against, any church,  
28 sect or creed of religion, or any form of religious  
29 faith or worship. An appropriation never shall be made  
30 to any person or community for private, charitable, or  
31 benevolent purposes, provided this shall not apply to  
32 the state asylums for the insane, and the state schools  
33 for the deaf and dumb, and the blind, and the charity  
34 hospitals, and public charitable institutions conducted  
35 under state authority.

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1 Section 8. Management of State Funds; Budgets

2 Section 8. (A) The governor shall submit  
3 to the legislature, at a time fixed by law, a  
4 budget estimate for the next fiscal year setting  
5 forth all proposed state expenditures and anticipated  
6 state revenues, and shall submit a general appropriation  
7 bill to authorize the proposed ordinary operating  
8 expenditures and, if necessary, a bill or bills  
9 containing recommendations in the budget for new  
10 or additional revenues.

11 (B) The governor shall submit to each regular  
12 session of the legislature a proposed five-year  
13 capital outlay program with a request for imple-  
14 mentation of the first year of the five-year program.  
15 All capital outlay projects approved by the legislature  
16 shall be made a part of the comprehensive state  
17 capital budget which shall be adopted by the legislature.

18  
19 Section 9. Management of State Funds; Public Record

20 Section 9. All reports and records of the  
21 collection, expenditure, investment, and use of  
22 state moneys and all reports and records relating

23 to state obligations shall be matters of public record.

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24  
25 Section 10. Management of State Funds; Investment

26 Section 10. All available moneys for invest-  
27 ment in the custody of the state treasurer shall be  
28 invested as provided by law.

29  
30 Section 11. Management of State Funds; Loan or  
31 Pledge of Public Credit; Relief of Destitute  
32 Donation; Transfer of Property; Leasing of  
33 Health Institutions

34 Section 11. (A) The funds, credit, property  
35 or things of value of the state, or of any political

1 canals, irrigation districts, hospitals, agricultural  
2 experiment and research stations, military posts,  
3 and for military uses; and for the purpose of acquisition  
4 and improvement of property for such purposes, may  
5 incur debt, issue bonds and levy taxes as otherwise  
6 provided in this constitution. The state or any of  
7 its agencies, political corporations or subdivisions  
8 may likewise maintain, in cooperation with or on  
9 behalf of the United States or any agency thereof,  
10 any right of way, servitude or easement acquired in  
11 connection with the construction or improvement of  
12 any artificial or natural waterway, any highway or  
13 railroad bridge spanning any such waterway.

14 (C) This Section shall not be held to prohibit  
15 any municipality from leasing or letting out to any  
16 person or persons, association or corporation, public  
17 or private, a hospital, clinic, sanitarium or any other  
18 institution, together with all incidental premises  
19 in connection therewith, belonging to or standing in  
20 the name of the municipality, provided the lease shall  
21 require a minimum of two percent per annum rental  
22 fee based on the total value of the facility at the  
23 date of the execution of the lease and provided that  
24 the question of granting such lease shall be previously  
25 submitted to the resident property taxpayers qualified  
26 to vote in the municipality wherein such lease is sought  
27 to be granted at an election called for that purpose  
28 and a majority of those voting, in number and amount,  
29 vote in favor thereof. Such election shall be called  
30 and held under existing laws providing for the calling  
31 and holding of elections to decide the question of  
32 incurring debt, issuing bonds, and levying special taxes.  
33 Provided further, said lease shall assure the public  
34 the leased premises shall be exclusively used for the  
35 main purpose for which same was acquired by the municipality

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1 corporation thereof, shall not be loaned, pledged, or  
2 donated to or for any person or persons, associations  
3 or corporations, public or private, provided nothing  
4 contained herein shall prevent intercooperation between  
5 the state and its political subdivisions or between  
6 political subdivisions; nor shall the state, nor any  
7 political corporation purchase or subscribe to the  
8 capital stock or stock of any corporation or associ-  
9 ation whatever, or for any private enterprise.

10 (B) Notwithstanding the provisions of this  
11 section, the legislature may grant necessary rights  
12 of way through its public lands for the construction  
13 of any railroad or flood control or navigation canal;  
14 and police juries and municipal corporations may  
15 utilize any charitable institutions within their  
16 corporate limits for the care, maintenance, and  
17 asylum of destitute persons, provided all appropriations  
18 made to such institutions shall be accounted for in the  
19 manner required of officials entrusted with public  
20 funds. Furthermore, the state, or any agency or  
21 political corporation or subdivision thereof, through  
22 authorized representatives, may donate perfect owner-  
23 ship, or otherwise convey, to the United States any  
24 property, movable and immovable, rights of way or  
25 servitudes, which they now own or may hereafter acquire,  
26 for the following public purposes: use, in connection  
27 with the improvement and maintenance of the navigation  
28 of natural waterways, the construction and improvement  
29 and maintenance of artificial navigable waterways and  
30 river and harbor works of every description and kind  
31 authorized by an Act or Acts of the Congress of the  
32 United States or Federal Statutes, or otherwise, and  
33 in connection with flood control works of every description  
34 and kind so authorized or in connection with airports,  
35 flying fields, landing fields, parks, forest preserves,

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1 and the use thereof under said lease shall not be  
2 inconsistent with said purpose.

3  
4 Source: La. Const. Art. IV, §12 (1921).

5  
6 Section 12. Release of Obligation to State,  
7 Parish or Municipal Corporation; Taxes on  
8 Confiscated Property

9 Section 12. The legislature shall have no  
10 power to release or extinguish, or to authorize the  
11 releasing or extinguishment, in whole or in part,  
12 of the indebtedness, liability, or obligation of any

13 corporation or individual to the state, or to any  
14 parish or municipal corporation thereof; provided,  
15 the heirs to confiscated property may be released  
16 from all taxes due thereon at the date of its reversion  
17 to them.

18  
19 Source: La. Const. Art. IV, §13 (1921).

20

21 Section 13. Legislation to Enable Compliance with  
22 Federal Laws and Regulations to Secure Federal  
23 Aid in Capital Improvement Projects

24 Section 13. The legislature may enact  
25 legislation to enable the state, its agencies,  
26 municipalities and parishes and their agencies to  
27 comply with federal laws and regulations in order  
28 to secure federal participation in the cost of capital  
29 improvement projects, and the legislature may authorize  
30 the use of funds, dedicated to such agencies of govern-

31 ment for other purposes, to meet the requirements of  
32 the federal statutes, including, by way of example  
33 but not with the intention of limitation, providing  
34 relocation assistance payments, housing for relocatees,  
35 and similar federal requirements. Whenever the legis-

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1 lature enacts such legislation, to comply with federal  
2 requirements for participation in construction projects,  
3 the legislature may extend the legislation to include  
4 similar projects financed entirely by state and local  
5 governments. Such payments shall be in addition to  
6 just compensation for property rights.

7

8 Source: La. Const. Art. IV, §18 (1921).

## II. A. Staff Memoranda

CC/73 Research Staff

Subcommittee on  
Public Finance

April 6, 1973

Staff Memorandum No. 1

Step 1. R.S. 39:45(A)

Each budget unit is required by law to submit to the Division of Administration, not later than January

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RE: Outline of Subject Matter Within Jurisdiction of Subcommittee

This memorandum outlines the various areas of public finance which appear to be within the jurisdiction of the Subcommittee on Public Finance.

### PUBLIC FINANCE

#### I. Financial Planning and Budgeting

The present constitution might be said to be silent on the subject of financial planning and budgeting, despite the fact that detailed provisions are included therein with respect to matters affecting or causing a need for both, such as the provisions relating to appropriations of public funds, public debt and the like.

Article IV, Section 1 provides, among other things, that "A regular statement and account of receipts and expenditures of all public monies shall be published every three months, in such manner as shall be prescribed by law." Apparently under the general authority of this provision, together with such provisions of the constitution as that contained in Article V, Section 2 to the effect that "The supreme executive power of the State shall be vested in a chief magistrate....," and in Section 14 of the same Article that "He shall take care that the laws be faithfully executed....," financial planning is made the primary responsibility of the governor.

Part II of Title 39 of the Louisiana Revised Statutes outlines the duties of the governor in the area of financial planning and budgeting. These same provisions vest in the Division of Administration within the Office of the Governor, the primary responsibility for administering and supervising the financial affairs of the state and all state agencies.

Central to the functions of the Division of Administration is the financial planning for the operation of state agencies that are designated as budget units. The pertinent statutory provisions relating to financial planning are briefly discussed below.

#### R.S. 39:2(7)

A budget unit is defined as any spending agency of the state for which separate appropriations are made or which operates upon dedicated revenues, or which may be declared to be a budget unit by the board of liquidation of state debt. Certain specific exclusions are contained in R.S. 39:4(B) which specifically excludes from the definition the legislature and the judiciary, with the exception of the office of Attorney General. It is noted that in recent years, for purposes of their inclusion in the general appropriations bill, estimates of the budget requirements of the legislature and the judiciary and their agencies are included in the state budget.

Steps involved in financial planning and budgeting are

as follows:

Step 2. R.S. 39:46; R.S. 39:312,313

The governor must have in continuous process of preparation and revision a tentative budget for the next year in the light of direct studies of the operation, plans, and needs of budget units and of the yields of existing and prospective sources of revenue. Upon receipt of the estimates of the several budget units, the Governor must cause to be made such further inquiries and investigations, and such revisions of his tentative budget, as he may warrant.

The governor may provide for public hearings on all estimates and may require the attendance at such hearings of the heads or representatives of each budget unit. After such hearings, and after examination of the estimates, the governor may revise the estimates except those for the legislature and judicial departments. The governor-elect may advise and confer with the governor in the preparation and revision of estimates, and for this purpose he shall have access to all estimates and requests submitted by the budget units in compliance with the instructions of the governor.

After receipt of the budget estimates from the several budget units, the governor, through the Division of Administration and working with and in conjunction with the Legislative Budget Committee, makes such further inquiries and investigations as may be warranted.

Step 3. R.S. 39:47

After such hearings or investigations, the governor may revise the estimates, except those for the legislature and judicial departments.

After revision by the governor, the executive budget then is required to be presented to the legislature not later than the 20th day of each 60-day session and not later than the 10th day of each 30-day session.

Step 4. R.S. 39:41

The governor presents a copy of the executive budget

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with a complete financial plan for the ensuing fiscal year to each member of the legislature not later than the 7th day of each session. In the year in which a new governor is elected, a grace period of five days is allowed.

Step 5. R.S. 39:43

When presented to the legislature, the executive budget must include the following information:

- a) Budget message;
- b) Summary of financial condition of the state;
- c) Summary of expenditures for the last fiscal year;
- d) Statement of surplus account (general and special funds);
- e) Statement of total state debt;
- f) Summary of each fund's cash position;
- g) Drafts of proposed appropriation acts, and
- h) Other information that the governor desires to present.

Capital Outlay Budget: General

R.S. 39:61

The head of each budget unit except the State Department of Highways, is required to present to the Division of Administration, by January 15 of each year, a list of ex-

penditures for permanent physical improvements needed for the next five years.

After receiving the agency requests, the Division of Administration is required to evaluate all capital improvement requests and to prepare and submit to the governor a five-year capital improvement program.

Upon receipt of the recommended capital budget from the Division of Administration, the governor must submit a recommended capital outlay program to the legislature by the 7th day of each regular session.

#### Capital Outlay Budget: Department of Highways

##### R.S. 48:203

The Director of the Department of Highways prepares an annual budget for each fiscal year ending June 30. The budget is then submitted to the Board of Highways for approval, and thereafter to the governor for incorporation into the executive budget for approval.

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#### II. Appropriations and Appropriating Process

##### Const. Art. IV, §8

Prohibits appropriation of money for private purposes.

##### Const. Art. IV, §9

Requires itemization of appropriation bills.

##### Const. Art. IV, §10

Requires that each appropriation be for a specific purpose.

##### Const. Art. IV, §11

Prohibits appropriation by the legislature during the last five days of a session.

##### Const. Art. V, §16

Grants power to the governor to disapprove (veto) any item of any bill making appropriations.

##### R.S. 39:50

After the legislature finally passes and the governor approves the appropriation acts, the governor, through the Division of Administration, prepares a complete budget for the ensuing year.

##### R.S. 39:52

Appropriated amounts are made available to the budget units in allotment by quarters for the fiscal year, the allotments being based on work programs and requests of the budget units, subject to approval by the Commissioner of Administration.

##### R.S. 39:54

No expenditures for capital outlay programs for which appropriations are made, other than funds dedicated in the constitution to highway construction and maintenance, may be made until plans and specifications are approved by the governor.

#### Dedicated Revenues

The dedicating of revenues from particular sources for

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specific programs has long been a feature of state financing in Louisiana. Dedications are made both by constitutional and statutory provision. Both types, of course, are limitations upon the control of the legislature and the governor over annual state financial planning, budgeting and appropriations.

Some forty-two percent of the state's revenues are dedicated by the constitution to specific purposes. At least one

recent study indicates that in excess of seventy-five percent of the taxes collected by the Department of Revenue are dedicated to specific purposes. This includes statutory as well as constitutional dedication.

#### III. Treasury Administration

##### R.S. 39:131

As amended by Acts 261 and 341 of the 1972 Regular Session, all revenues are required to be placed in the state treasury immediately upon receipt by the collecting agency and whether or not dedicated to the use of the collecting agency or otherwise.

##### R.S. 39:132

Distribution of funds is made from the treasury to operating agencies and other funds.

##### R.S. 39:131(C)

Dedicated revenues are credited to specified agencies, but only as much thereof as is legislatively appropriated and available to the agency for expenditure.

#### State Central Cash Management System

Act 341 of 1972 authorizes a task force composed of the state treasurer, commissioner of administration and legislative auditor to study possibilities and feasibility of establishing a central cash management system for the state and required the task force report to the legislature at the beginning of 1973 regular session.

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In addition, the Act requires the closing of all banking and checking accounts in the names of state agencies except those agencies whose program would be jeopardized as a result of the loss of federal funds or otherwise. All banking and checking accounts of the state are required to be in the name of the state treasurer.

##### R.S. 39:462

Authorizes the state treasurer to invest monies on deposit in the state treasury in time certificates if they are in excess of immediate cash requirements of the account to which the funds belong.

#### IV. Debt and Debt Service

##### Const. Art. IV, §2

Permits the legislature to authorize state debt or the issuance of bonds upon two-thirds approval of its elected membership and then only for capital improvements, to repel invasion or suppress insurrection. Requires that the state's full faith and credit be pledged to the payment of bonds or other indebtedness backed wholly or partially by state taxes. Also provides that the amount, purposes and approximate location of projects for which bond proceeds are to be spent be specified either in the bond act itself or in the state's capital budget. Provides that public referendum is not required.

##### R.S. 39:1401-1406 (Act 26 of 1968)

Creates the State Bond Commission as the central debt-issuing and management agency for the state, with authority to sell all bonds of the state and its agencies, of whatever type. The State Bond Commission is composed of the governor, the state treasurer (who is chairman), the attorney general, the chairmen of the senate finance and house appropriations committees, the legislative auditor and the state comptroller.

Act 26 also establishes a new method of financing bonds covered by the 1966 constitutional amendment, that is, those backed wholly or partially by state taxes. Under the new financing method, all general revenues of the state flow first to the Bond Security and Redemption Fund, a special fund established in the state treasury. All state revenues are deposited in the Bond Security and Redemption Fund except those constitutionally dedicated, those previously dedicated by statute to bonds and certain other purposes,

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fees and self-generated revenues, and gifts, grants and donations designated for particular purposes. The payment of the annual debt requirements on general obligations bonds is a first charge on the revenues in the fund. After such payment, all remaining revenues are transferred to the state general fund and the special funds of the state, for disbursement according to law. All bonds payable from the Bond Security and Redemption Fund have equal claim on the revenues of the fund.

R.S. 39:1361 - 39:1366 (Act 27 of 1968, Extra Session)

This law was enacted as a new "General Debt Policy Law and Procedures Act" incorporating principles of sound debt administration which apply to all bonds acts authorizing "full faith and credit" bonds of the state and its agencies.

- Among the principles established are:
- a) Each bond act must specify the maximum amount of bonds that may be issued under its authorization.
  - b) Each bond act must follow the constitutional requirements that the purposes for which bond proceeds are to be used must be specified.
  - c) Bond proceeds may not be used to finance the state's operating expenses or deficits, to pay veterans' bonuses or to meet payments on other bond issues except by constitutional amendment.
  - d) All bonds must be sold at public sale by competitive bid, except those sold to the federal or state government.
  - e) All bonds must be in serial form.
  - f) The final date of maturity of bonds may not be longer than the life of the facility being constructed from bond proceeds.
  - g) The issuing agency has authority to determine the technical details of the bonds, thereby allowing flexibility to deal with changing conditions of the bond market.

Acts 26 and 27 of the 1968 Extraordinary Session authorizes the state treasurer to establish, within the office of the treasurer, a State Debt Management Section. Duties assigned the treasurer include:

- a) Arranging for notice and sale of bonds issued by the State Bond Commission.
- b) Seeing that the bonds are delivered and that payments are made.
- c) Investing bond proceeds until funds are required by the appropriate spending agency.
- d) Serving as a central clearinghouse for data on all debt of the state and its agencies and reporting to rating services, bond buyers and other interested persons.

V. Audit

Article VI, Section 26(2) of the constitution, which became effective July 1, 1964, abolished the office of the Supervisor of Public Funds and transferred its functions to a legislative auditor to be elected by a simple majority of the members elected to each house of the legislature.

In addition to the examination and auditing functions which were transferred to the legislative auditor, the constitution required this officer to study and analyze state revenues and expenditures on a continuing basis and report thereon to the legislature; to study and analyze budget requests and make recommendations thereon; to determine and have available at all times the status of the general and other funds of the state, the cash on hand and the budget appropriations and the amount actually expended. He also is required to prepare, at least 30 days in advance of each regular session, a written statement of the financial condition of the state treasury at the close of the preceding fiscal year and an estimate of anticipated revenue receipts for the current fiscal year and the next succeeding fiscal year.

CS/73 Research Staff  
 Committee on Revenue,  
 Finance and Taxation  
 March 17, 1973

Staff Memo No. 2

RE: Suggested Assignment of Subject Matter

For purposes of consideration the basic subject matter within the jurisdiction of your committee is presently tentatively assigned under the subject "Property Taxes" which will be considered

by the Committee of the Whole, and the two subcommittees, namely, (1) the Subcommittee on Revenues Other Than Property Taxes, and (2) the Subcommittee on Public Finance.

I. Provisions of Louisiana Constitution of 1921 regarding Property Taxes (State & Local) to be considered by Committee of the Whole:

Article VI, Section 20	Article XII, Section 14	14
Article X, Section 1		15
2		16
3		17
4	Article XIV, Section 6	6
5		7
5.1		8
6		9
10		10
10B		11
11		12
12		13
13		14
14		19
15		20
16		21
18		22
19		22A
20		23
22		23.1
23		23.2
		23.3
Article X-A, Section 1		
2	Article XIV, Section (24.2)	24.2
3	through Section	44*
4		
5	Article XVI, Section 1	1
		2
Article XI, Section 1		3
2		8
3		8(a)
4	*Provisions of Sections not involving property taxation to be covered by Subcommittee on Public Finance.	

II. Provisions of Louisiana Constitution of 1921 regarding revenues other than property taxes (state and local) to be considered by the Subcommittee on Revenues Other Than Property Taxes:

Article IV, Section 25.1	Article X, Section 10	10
Article IV, Section 2	(cont)	11
2(b)		14
2(c)		16
2(d)		17
13		18
		20
		21
Article VI, Section 2		22
22		24
23	Article XI, Section 2	2
23.1		
24	Article XII, Section 14	14
24.1		18
25		19
26		20
27		21
28		22
Article VI-A-Section 1	Article XIV, Section 21	21
2		24.1
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
Article VII, Section 65		
Article VIII, Section 2		
Article X, Section 1		
1(a)		
1.1		
5		
5.1		
7		
8		
9		

III. Provisions of Louisiana Constitution of 1921 regarding public finance (state and local) to be considered by the Subcommittee on Public Finance:

Article III, Section 8	Article X, Section 11	11
22	(cont)	14
		18



\$16.5	Board of Commissioners of the Port of New Orleans; limitations on bonded indebtedness	Article VI-A, §6	Purpose and intent of article
		§7	Supervisor of public accounts; powers and duties
\$16.6	Board of Commissioners of the Port of New Orleans; additional powers and authority	*	Obsolete only insofar as title "Supervisor of public accounts" has been changed to "Collector of Revenue." See Art. VI, §26.
\$19	State highways and bridges; construction and maintenance; traffic regulation; rights of parishes, municipalities, and political subdivisions	§8	Penalties for delinquency
\$19.4	Board of highways; regulation and control of annual budget	*	Obsolete only insofar as title "Supervisor of public accounts" has been changed to "Collector of Revenue." See Art. VI, §26.
\$20	Road districts; graduated contribution or benefit tax	§9	Failure to report; examination of books and records; computation of tax
Article VI, §21	General Highway Fund; expenditures; reimbursement of parishes	*	Obsolete only insofar as title "Supervisor of public accounts" has been changed to "Collector of Revenue." See Art. VI, §26.
§22	General Highway Fund		
*	Obsolete in part: Subsections (d), (e), (f), (h), (i), (j) obsolete because various projects completed, and no bonds issued thereunder are outstanding. Subsection (k) was repealed by Act 275 of 1952. Under Subsection (l) it is unclear whether aircraft is entitled to refund of motor fuel tax because such are not included within body of Subsection (l) although aircraft are listed in	§10	Falsification; enforcement; bond
		*	Obsolete only insofar as title "Supervisor of public accounts" has been changed to "Collector of Revenue." See Art. VI, §26.
		§11	Costs and receipts
		*	Obsolete only insofar as title "Supervisor of public accounts" has been changed to "Collector of Revenue." See Art. VI, §26.
		§12	Enforcement expenses
		*	Obsolete only insofar as title "Supervisor of public accounts" has been changed to "Collector of Revenue." See Art. VI, §26.
		§13	Self-operative effect
		§14	Exemptions
		§§15-18	Invalid
			-6-
Article VI, §23	Long Range Highway Fund; revenues to be paid into fund; bonds for construction maintenance, improvement and extension of state highways; limitations; withdrawal of funds for state and parish highways and roads; continuation of certain taxes.		
§23.1	Financing of construction, maintenance and improvement of highways		
§24	Bonds for New Orleans-Chef Menteur and New Orleans-Hammond highways		
*	Obsolete because projects have been completed, and bonds no longer are outstanding.	Article X, §1	Taxing power; specific taxes
§24.1	Automobile license taxes; authority to fund	§1(a)	State tax, levy or increase; two-thirds approval
*	Obsolete because projects have been completed, and bonds are no longer outstanding.	§1.1	Income taxes; exemption for Viet Nam veterans
§25	Gasoline tax; applicability	*	Obsolete as of the termination of service date for members of the Armed Forces to receive credit for the award of the Viet Nam Service Medal; Date must be declared by President or Congress
§25.1	Bridges; construction and maintenance	§2	Tax Commission; powers; appointment; terms; salary
*	Obsolete because projects have been completed, and Louisiana Highway Commission ceased to exist in 1940.	§3	Rate of state taxation; limitation
§26	Department of Revenue; legislative auditor; State Printing Board	*	Obsolete. Repealed by Art. X-A, §1
ARTICLE VI-A. GASOLINE TAX FOR PORTS		§4	Tax exemptions
Article VI-A, §1	Additional motor fuel tax	*	Obsolete in part: §§4,5,6,7,9(b), 9(b-), (b.2), 15 obsolete by expiration of time limitations provided by respective paragraphs; §9(a) establishing property tax relief fund was declared unconstitutional by <u>Levy vs. Parker</u> , U.S. District Court, Eastern District of Louisiana, No. 70-243.
§2	Dealers; persons taxable; definition		
§3	Importers; reports		
§4	Dealers; payment of tax; reports; bonds; enforcement; aircraft fuel		
§5	Disposition of collections; allocations; expenditures; inner-harbor navigation canal bridge or tunnel	§5	Parochial and municipal corporations; public boards; taxing power; limitations
		§5.1	Action to be taken upon the integration of any tax supported facility of any
			-5-

political subdivision of the state which was segregated as to race by law when the tax was authorized

\$6 Local, municipal and district taxes; assessment; collection

\$7 Inheritance and donation taxes; exemptions

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Article X, §8 License taxes; restrictions

§9 Banks, domicile out of state; international or foreign banking; tax

§10 Political subdivisions; special local taxes; purposes; limitations

\* Obsolete in part: Paragraphs regarding Sabine Parish, Caddo Parish, and Jefferson Parish obsolete because projects accomplished and/or no outstanding bonds

§10A Special tax for municipal services

§10B Revenue sharing fund

§11 Collection of taxes; tax sales; quieting tax titles; postponement of taxes; loans to parishes

§12 Real estate valuation

\* Obsolete. Repealed by Acts 1972, No. 789, La. Const. of 1921, Art. X-A, §1 adopted November 7, 1972

§13 Local improvement assessments

§14 Local application of certain constitutional provisions

§15 Survey and maps to aid assessment and taxation; cost

§16 Rolling stock; nonresident owners; assessment

§17 Vehicles; license taxes; double taxation

§18 Collection of taxes; process to restrain; refunds

§19 Dwelling house exemption in certain municipalities; time limit

\* Obsolete because of expiration of time limitation

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Article X, §20 Tax forfeitures prior to 1880; annulment.

§21 Severance tax on natural resources

\* Obsolete in part: Subdivision (2) providing Forestry Commission allocation repealed by Louisiana Constitution of 1921, Art. X, §1 dedication of revenue tax on timber.

§22 New industries; exemption from municipal and parochial taxation; school tax exception

§23 Tax levy for capital improvements at Francis T. Nicholls State College at Thibodaux

\* Obsolete insofar as change of name to Nicholls State University

§24 Tax relief for manufacturing establishments

ARTICLE X-A. AD VALOREM PROPERTY TAXATION

Article X-A, §1 Ad valorem property taxes by state repealed

§2 Outstanding bonds secured by pledge or dedication of state property taxes made general obligation of the state; payment from Bond Security and Redemption Fund

§3 Payment of Confederate pensions from general fund of the state

§4 Annual payment to Louisiana State University and Agricultural and Mechanical College

§5 Self-operative provision

ARTICLE XI. HOMESTEAD EXEMPTIONS

Article XI, §1 Property exempt; valuation; claim of benefit

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Article XI, §2 Existing rights; debts excluded from exemption; enforcement of judgment, etc.

§3 Sales; waiver of homestead

§4 Exemption without registration; recordation in New Orleans

§5 Self-operative provision

ARTICLE XII. PUBLIC EDUCATION

Article XII, §8 Administrative departments; expenditures; legislative control

§9 Higher institutions of learning; appropriations

§13 No appropriation of public funds for private or sectarian schools

§14 Elementary and secondary school; sources of funds; apportionment

§15 Parish school funds; sources; management

§16 Orleans Parish School Board; tax rate; payment to levy commissioners; indebtedness; bond issue; additional tax

§17 Louisiana State University; sources of funds

\* Obsolete insofar as dedication of \$1,000,000 from 1 1/2 mill property tax because Art. X-A, §§1 & 4 provide for dedication from general fund

§18 Sixteenth section or indemnity lands; adjustments; distribution of proceeds

§19 Free school fund; state indebtedness; interest; proceeds of sale of sixteenth sections

§20 Seminary fund; state indebtedness; interest

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§21 Agricultural and mechanical college fund; state indebtedness; interest

§22 Segregation of funds

ARTICLE XIV. PAROCHIAL AND MUNICIPAL AFFAIRS

Article XIV §7 Withdrawal of municipality from parochial taxing authority

§8	Parochial taxation in cities and towns; limitation	\$14(p)	Gravity drainage districts; acreage tax or forced contribution; bonds; maintenance and repairs
§9	Tax assessor		
§10	Municipal consolidation; special taxes	\$14(q)	Gravity drainage districts; tax levies; assessments and collection
§11	Parochial tax limits; tax for municipal, district and parish fairs	\$14(r)	Gravity drainage districts; tax levies; assessments and collection; time and manner
§12	Municipal tax limits; special taxes	\$14(s)	Gravity drainage districts; domicile; actions; officers
§13	City of Shreveport bonds ratified and reaffirmed	\$14(t)	Gravity drainage districts; bank deposits; fiscal agent
*	Obsolete. All bonds issued pursuant hereto are no longer outstanding.	\$19	Special tax to aid public utilities; elections; qualification of voters
§14	Subdivisions of state; creation; indebtedness; bond issues; special taxes	\$20	Board of Assessors for Orleans Parish
§14(a)	Subdivisions of state listed; indebtedness; bond issues; tax	\$21	State Tax Collector for City of New Orleans
§14(b.1)	Purposes for parish, municipal, and school district bond issues	\$22	New Orleans; election of officers; form of government; powers; home rule charters
§14(b.2)	Encouragement of industrial enterprises; bonds to acquire plant sites	*	Obsolete insofar as ¶ 7 (P. 152 of Vol. III of West's Constitution) words beginning "An election shall ..." through ¶ 19, ending "subject to the requirements of this act."
§14(b.3)		\$23.1	New Orleans; sewerage, water and drainage system; special tax; disbursements
		\$23.2	New Orleans; sewerage, water and drainage system; extension; special tax

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Article XIV, §14(c)	Road districts, sub-road districts, and sewage districts - Formation authorized - Powers	*	¶ (1) obsolete; superseded in part by Article 14, §23.42.
(c.1-c.4)		\$23.3	New Orleans; sewerage and water board; water rates; sinking fund; water works construction
§14(d)	Irrigation, gravity drainage, and sub-drainage districts	\$24	New Orleans; Board of Liquidation of City Debt; bond issues for public improvements
§14(d-1)	Fire protection districts		
§14(d-2)	Airport districts		
§14(d-2)	Hospital service districts		
§14(d-4)	Recreation districts; creation; indebtedness, bond; taxation; political subdivisions; validation		
§14(e)	Funding and refunding bonds		
§14(f)	Debt limits; drainage district acreage tax	Article XIV, §24.1	Motor fuel; local taxation prohibited
§14(f.1)	Monroe; treatment as parish-wide school district for purposes of debt and bond limits for school purposes	§[24.2]	New Orleans; sewerage, water and drainage bonds; authorization
§14(g)	Refunding bonds	§[24.3]	New Orleans; sewerage, water and drainage bonds; authorization by election
§14(h)	Maturity time limit; intent; price	\$24.4	New Orleans; sewerage, water and drainage bonds; funds for payment
§14(i)	Taxes; action to enforce collection	\$24.5	New Orleans; sewerage, water and drainage bonds; tax
§14(j)	Taxes; imposition and collection by state or parochial officers	\$24.6	New Orleans; sewerage, water and drainage bonds; payment; tax exemption; authorized investment or security
§14(k)	Assumption of district indebtedness by parishes	\$24.7	New Orleans; sewerage, water and drainage bonds; interest; form
§14[k-(1)]	Consolidated gravity drainage districts	\$24.8	New Orleans; sewerage, water and drainage bonds; sale
[k-(1-b)]		\$24.9	New Orleans; sewerage, water and drainage bonds; use of proceeds
§14(l)	Issue and sale of bonds without election	\$24.10	New Orleans; sewerage, water and drainage bonds; Board of Liquidation; duties
§14(m)	Revenue bonds; acquisition, etc., of utilities	\$24.11	New Orleans; sewerage, water and drainage bonds; self-operative provisions
§14(m.1)	Delegation of power to commission or agencies	\$24.12	New Orleans; 1930 Bond Issue; authorization
§14(n)	Contest of bond issue or tax; time	\$24.13	New Orleans; 1930 Bond Issue; purposes
Section XIV, §14(o)	Gravity drainage districts; additional indebtedness and taxation; funding into bonds		

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\$24.14	New Orleans; 1930 Bond Issue; debt limit	*	Obsolete: Presently no bonds are outstanding.
\$24.15	New Orleans; 1930 Bond Issue; funds pledged for payment	\$7	Social Security and Public Welfare
\$24.16	New Orleans; 1930 Bond Issue; tax	*	Obsolete (in part): Subdivision (3) ¶2 providing for dedication of 3/4 mills property tax has been repealed by Article X-A.
\$24.17	New Orleans; 1930 Bond Issue; payment; tax exemption; authorized investment; security for deposits	\$8	Confederate memorial medical center; correctional, charitable and penal institutions; bonds; tax

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		*	Obsolete insofar as no bonds authorized hereunder are outstanding and purpose provided for hereunder has been accomplished.
Article XIV, \$24.18	New Orleans; 1930 Bond Issue; interest; form	\$10	Bonuses for service-men and service-women; bonds; tax
\$24.19	New Orleans; 1930 Bond Issue; sale of bonds	*	Obsolete because bonuses have been paid, and no bonds are outstanding.
\$24.20	New Orleans; 1930 Bond Issue; application of revenues to payment	\$11	Bonuses; veterans of Korean Conflict; widows, orphans, or parents; indebtedness; tax; surplus
\$24.21	New Orleans; 1930 Bond Issue; self-operative provisions		-16-
\$24.22	New Orleans; 1930 Bond Issue; emergency borrowing		
\$25	New Orleans; special tax for fire and police departments	Article XVIII, *	Obsolete because bonuses have been paid and no bonds are outstanding.
\$26	New Orleans; Public Belt Railroad; Commission	\$12	Korean bonus
\$27	New Orleans; Public Belt Railroad; bonds and notes	*	Obsolete because bonuses have been paid and no bonds are outstanding.
\$28	New Orleans; Public Belt Bridge over Mississippi; use; financing	§[13]	Veterans of Spanish American War; Boxer Rebellion; Phillipine Insurrection and World War I; bonus
\$30.2	Lake Charles Harbor and Terminal District; ratification	*	Obsolete because bonuses have been paid and no bonds are outstanding.
\$30.3	Navigation and river improvement districts; creation as political subdivisions	\$13	Viet Nam bonus bonds

ARTICLE XIX. GENERAL PROVISIONS

ARTICLE XVI. LEVEES		Article XIX	\$8	Gambling; futures of agricultural products; lotteries
Article XVI, \$2	District taxes; Orleans Levee District tax and refunding bonds; increase in tax to raise additional funds		\$19	Immovable property; recordation of mortgages, privileges, etc.; prescription of taxes and licenses; privileges on movable property
\$3	Bond issues			

ARTICLE XVIII. PENSIONS

Article XVIII \$1	Soldiers' home	Article XX	\$1	Bond issue; Angola plantation enlargement and improvement
*	Obsolete because Camp Nicholls is not in existence.		*	Obsolete because of expiration of time limitation provided herein

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ARTICLE XX. PENITENTIARY

Article XVIII, \$2	Confederate veterans and their widows; pensions			
*	Soon to be obsolete because as of May 4, 1973, there are only two surviving widows of confederate veterans.			CC/73 Research Staff
\$3	Confederate veterans and their widows; tax for pensions; bonds			Committee on Revenue, Finance and Taxation
*	Soon to be obsolete; bonds will not be outstanding as of December 31, 1973. Also Article X-A, §§ 1 and 3 provide for payment out of general fund.			March 16, 1973
\$5	Mothers' pensions			Staff Memo No. 3
*	Obsolete because never have such provisions been provided by legislature.			
\$6	Confederate veterans and their widows; back pensions; bond issue; tax; transfer of functions	RE: Membership of Subcommittees		
		I. Property Taxes (State and Local) - Committee of the Whole		
		A. Levy		

- B. Exemptions and Exclusions; Deductions; Rebates, etc.
- C. Tax Commission; Assessors and Assessment
- D. Collection
- E. Contest

**NOTES**

Staff Memo No. 4 reproduces a list of bonded indebtedness of the State as of January 1, 1972, from the Louisiana Municipal Bond Service Annual.

MEMBERSHIP

All members of the Committee

2.

CC/73 Research Staff  
Committee on Revenue, Finance,  
and Taxation  
Staff Memorandum No. 5

II. Revenues Other Than Property Taxes (State and Local)

- A. Taxes
  - 1. Taxes Collected by Department of Revenue
  - 2. Taxes collected by other agencies
  - 3. Local Taxes
  - 4. Exemptions; Exclusions; Deductions; Rebates; etc.
- B. Mineral Revenues
- C. Other Revenue Sources
- D. Federal Grants

Revenue, Finance, and Taxation  
Topics for Discussion  
April 27, 1973 and April 28, 1973

MEMBERSHIP		
Name	Occupation	Residence
1) Mr. Triche (A)	Representative	Napoleonville
2) Mr. DeBlieux	Senator	Baton Rouge
3) Mr. Nunez	Senator	Chalmette
4) Mr. Slay	Assessor	Alexandria
5) Mr. Chehardy	Assessor (A)	Metairie
6) Dr. Mauberret	Assessor	New Orleans
7) Mr. Fontenot	Attorney	Ville Platte
8) Mr. Newton	Attorney	Hammond
9) Mr. Planchard	Attorney	Sulphur
10) Mr. McDaniel	Farmer	Tallulah
11) Mr. Champagne	Farmer	Port Barre

- I. Property Taxation
  - A. Assessment Procedure
    - 1. Tax Base
    - 2. Definition of Actual Cash Value
      - (a) Sales Price
      - (b) Appraisals
      - (c) Reappraisals
    - 3. Classifications of Property
  - B. Exemptions
  - C. Limitations
    - 1. Rates of Taxation by Political Subdivisions
    - 2. Debt (state and local)

- II. Revenues Other Than Property Taxes
  - A. Taxation
    - 1. General Power in Legislature
    - 2. Limitations
  - B. Sources of Revenue

- III. Public Finance
  - A. Dedications
  - B. Debt
  - C. Appropriations

CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
May 9, 1973  
Staff Memorandum No. 6

III. Public Finance (State and Local)

- A. State Finance
  - 1. Financial Planning and Budgeting, including Capital Outlay budget
  - 2. Appropriations and Appropriating Process (Including Dedicated Revenues)
  - 3. Treasury Administration
  - 4. Debt and Debt Service
  - 5. Audit

M E M B E R S H I P

NAME	OCCUPATION	RESIDENCE
1) Mr. Brown	Senator	Ferriday
2) Mr. Alario	Representative	Westwego
3) Mr. Lowe	CPA (former legislator)	Port Allen
4) Mr. Winchester	Assessor	Franklin
5) Mr. Mire	Assessor (A)	Donaldsonville
6) Mr. Smith	Attorney (former legislator)	Vivian
7) Mr. Conroy	Attorney	Metairie
8) Mr. Schmitt	Attorney	New Orleans
9) Mr. Roemer	Farmer	Bossier City
10) Mr. Badeaux	School Board Member	Houma
11) Mr. Edwards (A)	Attorney/sheriff	Amite

The attached appendixes are summaries of the tax structures of state and local governments in the United States. They will be useful in comparing the tax structure and effort of Louisiana with other state and local governments.

Appendix I shows the basic sources of per capita revenue and rank for state governments for the year 1969. Louisiana collected \$207.40 in per capita state taxes in 1969 compared to a fifty state average of \$208.48 per capita. In 1971 Louisiana collected \$268.60 per capita and ranked eighteenth among all states in taxes collected, whereas in 1969, Louisiana ranked twentieth. (See Appendix II.)

Appendix I further indicates that Louisiana depends upon sales and gross receipt taxes for a large portion of its revenue (96.86 per capita). However, this total ranked forty-third among all states in per capita sales and gross receipts tax collections. Louisiana also ranks relatively low in all taxes collected: motor vehicle licenses, forty-eighth; individual income, thirty-fourth; corporate income, thirtieth; death and gift,

thirty-eighth. Severance taxes are not listed since they are not a major source of revenue for other states, but the total of severance taxes was considered in total per capita taxes collected.

Appendix II shows that Louisiana ranked eighteenth in per capita state taxes collected in 1971 and first among the surrounding states of Alabama, Arkansas, Florida, Georgia, Kentucky, Mississippi, and Texas. However, Appendix III gives a better picture because it includes state and local per capita taxes collected. Louisiana ranked thirty-fourth among all states (\$379.38 per capita in 1970) which was first among the surrounding states mentioned above. However, the thirty-fourth ranking indicates that Louisiana depends on its state government to finance most of its public goods and services.

Appendix III also gives the per capita property tax collections of the state and local governments. Louisiana ranks forty-sixth, with \$71.95 per capita. It should be noted that Kentucky ranked forty-seventh, with \$70.35 per capita. This was 1970 data, which was four years after equalization of property taxes and the assessment of property at 100 percent of fair market value.

Appendix IV shows the collections from income taxes, property taxes, sales and gross receipt taxes, and all other taxes for the federal, state, and local governments. It is important to note that property tax collections represent 84.6 percent of the tax revenue of local governments in the United States. Appendix V indicates that property taxes represent 58 percent of the tax collections of local government in Louisiana in 1970 (\$407,800,000 taxes collected and \$236,600,000 property taxes collected).

Appendix VI shows the tax effort made by state governments in 1969. Tax effort is defined as the percentage of the state's per capita personal income paid in per capita state taxes (does not include federal or local taxes). In 1969, Louisiana ranked fifth among all states in tax effort.

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This was due mainly to the low per capita personal income (forty-fifth) and the large amount of severance taxes collected.

In 1971, Louisiana paid \$489.81 per capita in federal taxes, \$268.38 per capita in state taxes, and \$110.59 per capita in local taxes, which was a total of \$868.78 per capita taxes paid. Therefore, in 1971, Louisiana citizens paid an average of 26.7 percent of their per capita personal income (\$3,252) in federal, state, and local taxes.

Appendixes VII and VIII are attached to give the data of all states' individual income tax structures and sales tax structures in 1972. Appendix VII gives the rates applied to taxable income, taxable income brackets, personal exemptions, and if federal income tax is deductible or not in computing state taxes. Appendix VIII gives the state general sales and gross receipts tax rates, state cigarette tax rates, and state motor fuel tax rates for state governments in 1972.

These appendixes, it is believed, will be of value to consideration of matters relating to the provisions to be included in the new constitution concerning Louisiana's tax structure.

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## NOTES

The appendices mentioned in the memo are omitted:  
Appendix I is from U.S. Bureau of the Census, State Government Finance in 1969 (1970), p. 11  
Appendix II is from U.S. Bureau of the Census, State Government Finances in 1971 (1971), p. 45  
Appendix III is from U.S. Bureau of Census, Governmental Finances in 1970-71 (1972), p. 50  
Appendix IV is from Ibid, p. 5  
Appendix V is from U.S. Bureau of the Census, Governmental Finances (1973), p. 45  
Appendix VI is from U.S. Dept. of Commerce, Survey of Current Business (1969), p. 22, and the U.S. Bureau of Census, State Governmental Finances (1961, 1966, 1970), no pages given  
Appendix VII is from U.S. Bureau of Census, Governmental Finances in 1972 (1972), p. 12  
Appendix VIII is from U.S. Bureau of Census, State Tax Collections in 1972 (1972), p. 14

CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
May 10, 1973  
Staff Memorandum No. 7

RE: CONTINGENCY APPROPRIATIONS

This memorandum is prepared in pursuance of a request by the Committee on Revenue, Finance and Taxation, Subcommittee on Public Finance, of the Constitutional Convention of Louisiana of 1973. The following study is a brief survey of the methods used by Louisiana and the other states to provide for the disbursement of contingency funds.

### I. Contingency Appropriations in Louisiana

Art. IV, Sec. 10 (Louisiana Constitution of 1921)

#### Appropriations; purpose and amount; contingencies

Section 10. Each appropriation shall be for a specific purpose, and for a specific amount, and no appropriation shall be made under the head or title of contingent; nor shall any officer or department of government receive any amount from the treasury for contingencies or for a contingent fund.

The provision prohibiting contingency appropriations first appeared in Louisiana constitutions in the Constitution of 1879. Contingency appropriations in Louisiana are made by the Board of Liquidation of the State Debt.

The Board of Liquidation of the State Debt was created in 1870 for the purpose of consolidating \$3,000,000 in bonds. The duties of the board were enlarged by statute and constitutional amendment. Functions of the board, as provided by the constitution, have included:

1. Providing for pensions of Confederate veterans and their widows.
2. Construction of a new state capitol.

3. Issuing bonds for the construction, repairs and equipment of certain correctional and charitable institutions.

In 1944, an attack was made upon the appropriation powers of the board and as a result thereof, the Supreme Court of Louisiana declared in Carso v. Board of Liquidation of State Debt, 205 La. 368, 17 So. 2d 358 (1944) that all acts purporting to give the board the right to transfer and appropriate state moneys were unconstitutional. With this declaration of unconstitutionality there was no method of meeting minor emergencies in the state without calling a special session of the legislature. In 1944, a constitutional amendment was adopted to permit contingency borrowing under limitations, which would reserve to the legislature its constitutional power of appropriation:

**Art. 4 § 1(a) Board of liquidation of the state debt**

Section 1(a). Creation; membership. The Board of Liquidation of the State Debt, which shall be composed of the Governor, or his Executive Counsel, Lieutenant Governor, Speaker of the House of Representatives, Chairman of the House Appropriations Committee, Chairman of the Senate Finance Committee, Auditor and Treasurer, is hereby created.

Interim appropriations and borrowing. Whenever, during the interim between sessions of the Legislature, the Board of Liquidation of the State Debt should find and determine that the appropriations for, or revenues of, any budget unit of the State are insufficient to care for same adequately, or that an emergency exists, it is hereby authorized and empowered to appropriate from any surplus in the General Fund of the State, as certified by the Treasurer, or to borrow upon the credit of the State, any amount that it may find necessary to care for said budget unit of the State, after having obtained the written consent of a majority of the members elected to each House of the Legislature, which consent may be obtained either by letter or telegram. In submitting proposed items of appropriation and/or loans, the Board shall submit them in such form as to enable members to express their approval or disapproval of each such item, provided that communications approving or disapproving such proposed items shall be deposited with the State Auditor and shall be a public record.

Maximum borrowing and appropriation. The maximum amount which may be borrowed and/or appropriated for any budget unit under this authority shall in no event exceed, during any fiscal year, One Hundred Thousand Dollars (\$100,000.00); provided, that the total amount which may be borrowed and/or appropriated by the Board of Liquidation of the State Debt under this authority during any fiscal year, for all budget units shall in no event exceed One Million Dollars (\$1,000,000.00); and provided, further, that the total amount of loans under this authority outstanding at any one time shall in no event exceed Two Million Dollars (\$2,000,000.00).

Considerations and determinations. In determining the questions of fact to form the basis of the proper exercise of the authority hereby conferred, the Board of Liquidation of the State Debt shall consider such work programs, showing the purposes for which the amounts needed are to be expended, as such budget unit may be required by law to furnish the Department of Finance, together with such other information relative to the amounts necessary to be expended and the probable receipts from all sources of revenue as said Board of Liquidation of State Debt may require, with full opportunity to the head of any department, office, agency or institution charged with the checking and approving of such work programs, and to the head of the budget unit requesting such additional funds, to be heard and make recommendations thereon.

Meetings. Meetings of the Board of Liquidation of the State Debt shall be held on not less than twenty-four (24) hours notice to its members and any citizen shall have the right to attend such meetings.

Payment of loans. Whenever the Board of Liquidation of the State Debt has made any loan and there is, at any time thereafter, available in the General Fund of the State of Louisiana, according to the estimate of the Treasurer of the State, any surplus sufficient to pay said loan, or any part thereof, then on request of the Treasurer for authority so to pay, the Board of Liquidation of the State Debt shall authorize said Treasurer to pay said loan, or any part thereof out of said surplus.

Compliance with resolutions. It shall be the mandatory duty of the State Treasurer, and all other public officials, to comply with any resolution of the Board of Liquidation of the State Debt adopted pursuant to this section.

Validation of existing indebtedness. All outstanding bonds, notes, certificates of indebtedness, or other evidences of debt, issued by the Board of Liquidation of the State Debt as heretofore existing, or by the Governor under its authority, are hereby validated and declared to be the legal and binding indebtedness of the State of Louisiana.

Transfer of authority. The power and authority now vested in the Board of Liquidation of the State Debt as heretofore existing by any provision of the Constitution in effect at the time this amendment is adopted and by Act 77 of 1938<sup>1</sup> relative to the selection of

fiscal agent banks are hereby transferred to the Board of Liquidation of the State Debt herein created. All other provisions of law relative to the Board of Liquidation of the State Debt are hereby repealed. This section shall be self-operative. (Added Acts 1944, No. 327, adopted Nov. 7, 1944.)

II. Contingency Appropriations in Other States

Generally, there are three methods utilized by other states to provide procedures for taking care of unforeseen emergencies or contingencies:

1. Express prohibition against withdrawal of funds from the treasury by other than legislative act.
2. Inclusion of a "contingent fund" in the regular budget.
3. Arrangements for the transfer of funds between departments.

The more recent changes in state constitutions and proposals have the objective of relaxing debt restrictions rather than imposing controls. The following is a brief survey of methods employed by other states to provide for emergency funds.

**The Model State Constitution.** The 1948 edition of the model state constitution of the National Municipal League placed no limitation on the amount of debt which could be incurred by the state but required a popular referendum:

Section 702. **Debt Limitations.** No debt shall be contracted by or in behalf of this state unless such debt shall be authorized by law for a single project or object distinctly specified therein; and no such law shall, except for the purpose of repelling invasion, suppressing insurrection, defending the state in war, meeting natural catastrophes, or redeeming the indebtedness of the state outstanding at the time this constitution is approved, take effect until it shall have been submitted to the qualified voters at a regular election and have received a favorable majority of all votes cast upon such question at such election; except that the state may by law borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues of such year, but all debts so contracted in anticipation of revenues shall be paid within one year.

The 1963 edition of the model state constitution deletes the referendum requirement and contains only the following debt provision:

Section 7.01. **State Debt.** No debt shall be contracted by or in behalf of this state unless such debt shall be authorized by law for projects or objects distinctly specified therein.

**Alaska.** The Alaska constitution (1958) is similar in principle to the provisions of the 5th edition of the model state constitution. It establishes no debt limit but requires a popular referendum:

No debt shall be contracted unless authorized by law for capital improvements and ratified by a majority of the qualified voters of the State who vote on the question. The State may, as provided by law and without ratification, contract debt for the purpose of repelling invasion, suppressing insurrection, defending the State in war, meeting natural disasters, or redeeming indebtedness outstanding at the time this constitution becomes effective. (Article IX, Section 8)

**Pennsylvania.** The Pennsylvania constitution contained stringent debt restrictions which necessitated constitutional amendment for direct state borrowing. The result was the establishment of public authorities for the purpose of securing financing for public improvements. Pennsylvania's constitutional convention adopted and submitted to the voters on April 23, 1968, debt provisions which substantially relaxed the method of debt authorization. The key provision provides as follows:

Debt may be incurred without the approval of the electors for capital projects specifically itemized in a capital budget, if such debt will not cause the amount of all net debt outstanding to exceed one and three-quarters times the average of the annual tax revenues deposited in the previous five fiscal years as certified by the Auditor General . . . (Proposal No. 3, Section 7a(3)).

In California the director of finance administers an emergency fund. He may allocate any portion thereof which he deems necessary to meet contingencies for which no appropriation or an insufficient appropriation has been made by law.

In New York the governmental emergency fund was created to meet unanticipated financial requirements. This fund may be drawn upon only after the governor certifies the conditions which require an expenditure from it and after the legislative officials certify that they will recommend an appropriation sufficient to replenish the fund at the next legislative session.

In Arkansas, the governor issues emergency proclamations containing the amount of funds required to be expended. Expenditures are reimbursed to the State General Services Fund Account by transfers from funds supporting the benefiting agencies.

### III. Summary

As the above examples indicate, other states can readily provide for emergencies through an appropriation made to a contingency fund. In Louisiana this is impossible because of the present provision contained in Article IV, Section 10 which expressly forbids any appropriation to a contingency fund.

The question of appropriation of state funds during the interim between legislative sessions without a specific appropriation raises the issue of the feasibility of: 1) an appropriation to a body authorized to allocate such appropriated funds for emergency purposes during the interim, or 2) constitutional authorization to a body to appropriate funds for emergencies from the general fund during the interim with certain limitations. The Louisiana Board of Liquidation of the State Debt falls into the latter category.

and Utah's Constitutions state that the enumerated exemptions provided for in their respective constitutions are the only ones allowed. Thus, both constitutions, by not providing for industrial tax exemptions, prohibit them.

The majority of state constitutions (23) do not mention industrial tax exemption, and six state constitutions (Column 4) merely authorize the legislature (or general assembly) to make such exemptions as they think desirable (not mentioning exemptions for industry in particular).

The breakdown for states neighboring Louisiana is as follows:

Arkansas, Mississippi, and Florida specifically provide for industrial tax exemptions in their constitutions, whereas the Alabama and Texas Constitutions do not mention industrial tax exemptions.

#### Summary of Constitutional Provisions; Selected States

Alabama: Not specifically mentioned.

Arkansas: Capital invested in Arkansas textile mill exempted for seven years from date of location of mill (Am 12).

Governor and Industrial Commission may investigate, contract with owners of manufacturing or processing establishment to be located in state, or owners making addition to existing establishment, for exemption from state property tax; terms, conditions to be as governor and commission deem to best interest of state; no exemption longer than tax calendar years; exemptions to cease upon violation of terms, conditions. (Am 27).

Legislature may by general law exempt for term of seven years from the ratification of this constitution (1874) the capital invested in any kind of manufacturing business in the state under such regulations and restrictions as prescribed by law (Am X 3).

All industrial plants established after 1928 and engaged in certain types of manufacturing, to be exempt from all taxation for 15 years, but no exemption to extend beyond 1948. Certain real estate excepted. Art. IX, 12.

Mississippi: Legislature may grant exemption from taxation in the encouragement of manufactures and other new enterprises of public utility extending for a period not exceeding five

CC/73 Research Staff

Committee on Revenue,  
Finance and Taxation

May 31, 1973

Staff Memorandum No. 8

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RE: Itemization of Methods of Providing for Industrial Tax Exemption by State Constitutions.

Table I gives the relevant constitutional and revised statute articles of how neighboring states of Louisiana provide for industrial tax exemptions and Table II contains the itemization of methods of providing for industrial tax exemptions by state constitutions.

Thirteen states (Column 1, Table II) specifically provide for industrial tax exemptions in their constitutions, while eight states (Column 2) specifically prohibit them. Both Nebraska's

years; time of such exemptions to commence from date or charter, if to a corporation and if to an individual enterprise, then from the commencement of work; when legislature grants such exemptions for period of five years or less, it shall be done by general laws distinctly enumerating classes of manufactures and other public utility enterprises entitled to exemption and prescribing mode and manner of determining right to such exemption. (Art. VII 182). General laws to authorize exemptions by cities and towns of all property used for manufactories within their limits from municipal taxation for a period not longer than 10 years to aid and encourage establishment of such works (Art. VII 192).

Texas: None. [All laws exempting property from taxation other than the property mentioned above (i.e. for church, nonprofit organizations, etc.) shall be null and void. (Art. XIII Sc. 2)].

Revised Statutes

Alabama: 51, Sc. 3-9

Court of county commissioners, or other court or board having like jurisdictions of any county and the constituted authorities of any city or town in which it is proposed to locate are authorized and empowered to remit the taxes assessed for all county and municipal purposes except for any schools and school district purposes, for a period not exceeding ten years; period of foregoing exemptions should not be extended.

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Arkansas: (84-208)

Textile mills--tax exempt. (Am 12) for a period of seven years.

Mississippi: 27-31-107 (formerly 39-103).

County board of supervisors and municipal authorities are authorized to give exemptions not to exceed ten years, except for school or school districts, for hotels bordering the Gulf of Mexico, county board of supervisors - not to exceed five years, municipal authorities - not to exceed ten years. Municipalities may also grant exemptions.

Florida: (289.181, 192.54, 201.10).

(289.181) Any tax exemptions, tax credits, etc. granted to banks, savings and loan associations, and other financial institutions by 192.54 and 201.10 or by any general laws are granted to corporations organized pursuant to this article. (201.10) Certificates of deposit are exempt.

Texas: No mention of industrial tax exemption in revised statutes.

Legislature has power to exempt industrial plants from taxation (Crow v. General Cable Corp, 137 So 657; Pullman Car, etc., Corp. v. Hamilton 155 So 616) and may delegate power to local government unit to exempt industrial plant from taxation for limited period as inducement to locate in state. Crow v. General Cable Corp, 137 So 657.

This does not apply to plants already constructed.

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TABLE I  
Industrial Exemptions

State	Constitutional Provision	Statute
Alabama	(does not mention)	51, Sec. 3-9
Arkansas	Am 12, 27; Art. X, Sec. 3	84-208
Florida	Art. IX, 12	289.181, 192.54, 201.10
Mississippi	Art. VII, Sec. 182, 192	27-31-101 (formerly §9703)
Texas	Art. VIII, Sec. 2 (prohibit)	-----

TABLE II  
Itemization of Methods of Providing  
for Industrial Tax Exemption by State Constitutions

State Constitutions Specifically Pro- viding for Industrial Tax Exemptions	State Constitutions Specifically Pro- hibiting Industrial Tax Exemptions	State Constitutions Not Specifically Providing for Industrial Tax Exemptions	State Constitutions Leaving Exemptions in Discretion of Legislature
(Column 1) <sup>1</sup> Alaska Arizona Arkansas Florida Georgia Kentucky Louisiana Mississippi Oklahoma South Carolina Tennessee Virginia Wisconsin	(Column 2) Colorado Idaho Iowa Missouri Montana Nebraska Ohio Utah	(Column 3) Alabama California Connecticut Hawaii Illinois Indiana Kansas Maine Maryland Massachusetts Michigan Minnesota Nevada New Hampshire New Jersey New Mexico New York North Carolina North Dakota Pennsylvania South Dakota Texas Vermont	(Column 4) <sup>2</sup> Delaware Oregon Rhode Island Washington West Virginia Wyoming

1. These states have constitutional article allowing industrial tax exemption
  2. These states leave all exemptions including industrial tax exemptions in the state legislature.
- Source: Constitutions of the U.S.: National and State, Vol. I & II.  
Legislative Drafting Research Fund, Columbia University, Deans Publishing 1967.

CC/73 Research Staff  
 Committee on Revenue,  
 Finance and Taxation  
 May 21, 1973  
 Staff Memorandum No. 9

RE: Comparative Analysis of State Property Tax Laws

The Committee on Revenue, Finance and Taxation of the Constitutional Convention of Louisiana of 1973 has requested that the research staff prepare a brief survey of the property tax laws of the fifty states. The purpose of this memorandum is to provide a factual background for a discussion on the administration of the property tax system in the fifty states.

Table I shows the legal valuation concepts and taxable values thereof, in the fifty states. Valuation concepts used by the states vary considerably and are expressed in such terms as "actual value", "true cash value", "fair value", "fair cash value", and "fair market value", etc. Approximately 17 states have taxable values of 100%. At least two additional states provide that taxable values may go as high as 100%. In the remaining 31 states, taxable values range from 1% of the "value in money" in Vermont to 60% of the "fair market value" in Alabama.

Table II lists the states that conduct ratio studies and further indicates whether the report is published and made available to the general taxpaying public. Of the forty-two states that conduct assessment ratio studies on a regular basis, eleven states do not publish the results. With regards to the distribution of these studies, in only two states--Hawaii and South Dakota--are the studies and results thereof, distributed explicitly to the general public although a number of states make the studies available to private citizens upon request. In general, the studies are distributed to public officials only.

Table III shows the various ways in which the states utilize the assessment ratio studies. Thirty-one states use the ratio study to equalize assessments and twenty-nine states use the studies to apportion funds (Table III). Other uses of the assessment ration studies range from the evaluation of methods used in making appraisals in Hawaii to the establishment of debt limits for local government purposes in New Jersey.

JURISDICTION	LEGAL VALUATION CONCEPT	TAXABLE VALUE <sup>1</sup>
Alabama	fair market value	60%
Alaska	full and true value	up to 3%
Arizona	full cash value	18-60%
Arkansas	true market value	up to 20%
California	full value	25%
Colorado	actual value	30%
Connecticut	fair market value	up to 100%
Delaware	true cash value in money	100%
Florida	full cash value	100%
Georgia	fair market value	up to 100%
Hawaii	fair and reasonable value	varies by district
Idaho	full market value	20%
Illinois	fair cash value	50%
Indiana	true cash value	33 1/3%
Iowa	actual value	27%
Kansas	fair market value	30%
Kentucky	fair cash value	100%
LOUISIANA	actual cash value	not below 25%
Maine	at just value in compliance with state law	"just value"
Maryland	full cash value	100%
Massachusetts	full cash value	100%
Michigan	true cash value	up to 50%
Minnesota	market value	varies by class
Mississippi	true value	100%
Missouri	true value in money	100%
Montana	true and full value	up to 40%
Nebraska	actual value	35%
Nevada	full cash value	35%
New Hampshire	true value	100%
New Jersey	fair value	50%
New Mexico	assessed in proportion to value	100%
New York	full value	100%
North Carolina	true market value	varies locally
North Dakota	true value	50%
Ohio	true value	varies locally
Oklahoma	fair cash value	35%

<sup>1</sup> Mills applied to this base unless exempted by law or constitution.

JURISDICTION	LEGAL VALUATION CONCEPT	TAXABLE VALUE
Oregon	true cash value	100%
Pennsylvania	actual value	100%
Rhode Island	full and fair cash value	varies locally
South Carolina	true value in money	100%
South Dakota	true and full value in money	up to 60%
Tennessee	sound, intrinsic and immediate economic value	50%
Texas	true and full value	100%
Utah	reasonable fair cash value	30%
Vermont	value in money	1%
Virginia	fair market value	100%
Washington	true and fair value	50%
West Virginia	true and actual value	100%
Wisconsin	true and actual value	100%
Wyoming	fair value	as prescribed by State Tax Commission

Source: Commerce Clearing House; State Tax Reporter

II. Scope of Property Assessment Studies Conducted by States, 1973

<u>State</u>	<u>Interval of Study</u>	<u>Period Covered</u>	<u>Report Published</u>
Alabama	-----	-----	-----
Alaska	Annual	3 years	yes
Arizona	-----	-----	-----
Arkansas	Annual	1 year	no
California	Annual	Triennial appraisal surveys are updated annually by statistical projection	yes
Colorado	Annual	2 years	yes
Connecticut	-----	-----	-----
Delaware	-----	-----	-----
Florida	-----	-----	-----
Georgia	Annual	2 years	yes
Hawaii	Annual	1 year	yes
Idaho	Annual	1 year	no
Illinois	Annual	1 year	yes
Indiana	Annual	1 year	yes
Iowa	Annual	1 year	yes

<u>State</u>	<u>Interval of Study</u>	<u>Period Covered</u>	<u>Report Published</u>
Kansas	Annual	1 year	yes
Kentucky	Annual	1 year	not always
Louisiana	-----	-----	-----
Maine	Biennial	2 years	yes
Maryland	Biennial	10 months	yes
Massachusetts	Biennial	2 years	no
Michigan	Annual	3-8 months	yes
Minnesota	Annual	3 years	no
Mississippi	-----	-----	-----
Missouri	Annual	1 year	no
Montana	Ratios are derived on a county-by-county basis	1-3 years	no
Nebraska	Annual	1 year	yes
Nevada	Annual	1 year	yes
New Hampshire	Biennial	18 months	yes
New Jersey	Annual	2 years	yes
New Mexico	Annual	1 year	no
New York	Biennial	2 years	yes
North Carolina	-----	-----	-----
North Dakota	Annual	5 years	yes

<u>State</u>	<u>Interval of Study</u>	<u>Period Covered</u>	<u>Report Published</u>
Ohio	Annual	1 year	yes
Oklahoma	Annual	1 year	yes
Oregon	Annual	1 year	yes
Pennsylvania	Annual	1 year	yes
Rhode Island	Annual	1 year	yes
South Carolina	Annual	1-3 years	no
South Dakota	Annual	3 years	yes
Tennessee	Annual	1-2 years	yes
Texas	-----	-----	-----
Utah	Annual	1 year	yes
Vermont	Biennial	18 months	yes
Virginia	Biennial	1 year	yes
Washington	Annual	1 year	yes
West Virginia	As needed	2 years	no
Wisconsin	Annual	1 year	no
Wyoming	Not yet determined	(N/A)	no

Source: Commerce Clearing House: State Tax Reporter

III. Uses of Property Assessment Ratio Studies by States, 1973

<u>State</u>	<u>Equalize Assessments</u>	<u>Apportion Funds</u>	<u>Other Uses</u>
Alabama	-----	-----	-----
Alaska		X	
Arizona	-----	-----	-----
Arkansas	X	X	Check compliance with 20% assessment requirement
California	X	X	Equalize tax rates of inter-county district
Colorado			
Connecticut	-----	-----	-----
Delaware	-----	-----	-----
Florida	-----	-----	-----
Georgia	X	X	
Hawaii			Evaluate methods used in making appraisal
Idaho	X	X	
Illinois			
Indiana	X	X	Determine maximum tax rate for school corporations

<u>State</u>	<u>Equalize Assessments</u>	<u>Apportion Funds</u>	<u>Other Uses</u>
Iowa	X	X	
Kansas	X	X	
Kentucky	X	X	
Louisiana	-----	-----	-----
Maine	X	X	
Maryland	X	X	
Massachusetts		X	
Michigan	X	X	
Minnesota	X	X	
Mississippi	-----	-----	-----
Missouri	X	X	Evaluate methods used in making appraisal
Montana			
Nebraska	X		
Nevada	X	X	
New Hampshire	X	X	Borrowing capacity
New Jersey		X	Establish local debt limits based on equalized valuation
New Mexico			Conducted for internal use only

<u>State</u>	<u>Equalize Assessments</u>	<u>Apportion Funds</u>	<u>Other Uses</u>
New York	X	X	
North Carolina	-----	-----	-----
North Dakota	X	X	
Ohio	X		
Oklahoma	X		
Oregon	X	X	Guide in applica- tion of adjustment factors to main- tain assessment level of 100%
Pennsylvania		X	
Rhode Island		X	To illustrate need for statewide uniform assessments
South Carolina	X		
South Dakota	X	X	
Tennessee	X		
Texas	-----	-----	-----
Utah	X		
Vermont		X	
Virginia		X	
Washington	X	X	
West Virginia	X	X	
Wisconsin	X	X	
Wyoming	X		

May 8, 1973

Staff Memorandum No. 10

RE: Assignment of sections of Louisiana Constitution of 1921 to Committee on Revenue, Finance and Taxation, Subcommittee on Revenues Other Than Property Taxes, Subcommittee on Public Finance

<u>Article and Section</u>	<u>Subject</u>	<u>Assignment</u>
III, 8	Annual sessions; general, budgetary and special sessions; duration; bills and joint resolutions; vacancies	Request recommendation of Coordinating Committee, which on May 2, 1973 assigned "Special Elections to Fill Legislative Vacancies" to Legislative Powers and Functions
III, 22	Revenue bills; origin; amendments	Request recommendation of Coordinating Committee
III, 25.1	Tax measures; amendments, conference committee reports; vote required	Subcommittee on Revenues Other Than Property Taxes
IV, 1	Appropriations; quarterly accounting	Assigned to Legislative Powers and Functions and Executive Department; Included herein since other sections on appropriations assigned to Committee on Revenue, Finance & Taxation
IV, 1(a)	Board of Liquidation of the State Debt	Subcommittee on Public Finance
IV, 2	Public debt; alienation of public lands; reservation of mineral rights; mineral leases; Royalty Road Fund; parish road bonds	Coordinate with Natural Resources & Environment and Local & Parochial Government; Subcommittee on Revenues Other Than Property Taxes only insofar

Article  
and  
Section  
IV, 2

Subject

Assignment

as mineral leases is source of revenue; Subcommittee on Public Finance as to dedication to Royalty Road Fund & public debt

IV, 2(c) Mineral revenues; payment into General Highway Fund

Subcommittee on Revenues Other Than Property Taxes regarding mineral revenues; Subcommittee on Public Finance regarding dedications

IV, 2(d) Revenue from tidelands mineral leases; use of

Subcommittee on Public Finance except as source of revenue to Subcommittee on Revenues Other Than Property Taxes

IV, 4 Local or special laws; prohibited subjects

Subcommittee on Revenues Other Than Property Taxes regarding extending time for assessment and collection, etc. and exempting property from taxation and Subcommittee on Public Finance regarding remitting fines, etc.

IV, 8 Public funds; prohibited expenditure for sectarian, private, charitable or benevolent purposes; state charities; religious discrimination

Subcommittee on Public Finance

IV, 9 Appropriation bills; form and contents

Subcommittee on Public Finance

IV, 10 Appropriations; purpose and amount; contingencies

Subcommittee on Public Finance

IV, 11 Appropriations; last five days of session, formalities; extraordinary session

Assigned to Legislative Powers and Functions

IV, 12 Loan or pledge of public credit; relief of destitute; donations; transfers of property; bonds; leasing of health institutions; donation to U.S. for Veterans Hospital

Coordinate with Local & Parochial Government; Subcommittee on Public Finance

Article and Section	Subject	Assignment
IV, 12-a	Bonds; state indebtedness; Confederate veterans' pensions; reimbursement of General Highway Fund	Subcommittee on Public Finance
IV, 13	Release of obligation to state, parish or municipal corporation; taxes on confiscated property	Subcommittee on Revenues Other Than Property Taxes
IV, 17	Legislative approval of bond issuance and appropriation by the Board of Liquidation; procedure; nullity of issue for failure to observe	Subcommittee on Public Finance
IV, 18	Legislation to enable compliance with federal laws and regulations to secure federal aid in capital improvement projects	Subcommittee on Revenues Other Than Property Taxes
V, 16	Appropriation bills; veto of items	Assigned to Executive Department
VI, 2	Forestry; acreage taxes; homestead exemptions	Committee on Revenue, Finance & Taxation regarding homestead exemption; Other to Subcommittee on Revenues Other Than Property Taxes
VI, 16	Board of Commissioners of the Port of New Orleans	Coordinate with Local & Parochial Government; Subcommittee on Public Finance
VI, 16.5	Board of Commissioners of the Port of New Orleans; limitations on bonded indebtedness	Subcommittee on Public Finance
VI, 16.6	Board of Commissioners of the Port of New Orleans; additional powers and authority	Subcommittee on Public Finance
VI, 19	State highways and bridges; construction and maintenance; traffic regulation; rights of parishes, municipalities, and political subdivisions	Assigned to Executive Department

Article and Section	Subject	Assignment
VI, 19.4	Board of highways; regulation and control of annual budget	Subcommittee on Public Finance
VI, 20	Road districts; graduated contribution or benefit tax	Subcommittee on Revenues Other Than Property Taxes
VI, 21	General Highway Fund; expenditures; reimbursement of parishes	Subcommittee on Public Finance
VI, 22	General Highway Fund	Subcommittee on Revenues Other Than Property Taxes regarding sources of revenue; Subcommittee on Public Finance regarding use of proceeds & dedications
VI, 23	Long Range Highway Fund; revenues to be paid into fund; bonds for construction maintenance, improvement and extension of state highways; limitations; withdrawal of funds for state and parish highways and roads; continuation of certain taxes	Subcommittee on Revenues Other Than Property Taxes regarding revenues to be paid into fund & continuation of certain taxes; Subcommittee on Public Finance regarding bonds, limitations, withdrawal of funds.
VI, 23.1	Financing of construction, maintenance and improvement of highways	Subcommittee on Public Finance
VI, 24	Bonds for New Orleans-Chef Menteur and New Orleans-Hammond highways	Subcommittee on Public Finance
VI, 24.1	Automobile license taxes; authority to fund	Subcommittee on Public Finance
VI, 25	Gasoline tax; applicability	Subcommittee on Revenues Other Than Property Taxes
VI, 25.1	Bridges; construction and maintenance	Subcommittee on Public Finance
VI, 26	Department of Revenue; legislative auditor; State Printing Board	Subcommittee on Revenues Other Than Property Taxes regarding Department of Revenue; Subcommittee on Public Finance regarding legislative auditor

Article and Section	Subject	Assignment
VI-A, 1	Additional motor fuel tax	Subcommittee on Revenues Other Than Property Taxes
VI-A, 2	Dealers; persons taxable; definition	Subcommittee on Revenues Other Than Property Taxes
VI-A, 3	Importers; reports	Subcommittee on Revenues Other Than Property Taxes
VI-A, 4	Dealers; payment of tax; reports; bonds; enforcement; aircraft fuel	Subcommittee on Revenues Other Than Property Taxes
VI-A, 5	Disposition of collections; allocations; expenditures; inner-harbor navigation canal bridge or tunnel	Subcommittee on Public Finance regarding dedications & bonds; balance of section to Subcommittee on Revenues Other Than Property Taxes
VI-A, 6	Purpose and intent of article	Subcommittee on Revenues Other Than Property Taxes
VI-A, 7	Supervisor of public accounts; powers and duties	Subcommittee on Revenues Other Than Property Taxes
VI-A, 8	Penalties for delinquency	Subcommittee on Revenues Other Than Property Taxes
VI-A, 9	Failure to report; examination of books and records; computation of tax	Subcommittee on Revenues Other Than Property Taxes
VI-A, 10	Falsification; enforcement; bond	Subcommittee on Revenues Other Than Property Taxes
VI-A, 11	Costs and Receipts	Subcommittee on Revenues Other Than Property Taxes
VI-A, 12	Enforcement expenses	Subcommittee on Public Finance
VI-A, 13	Self-operative effect	Subcommittee on Revenues Other Than Property Taxes
VI-A, 14	Exemptions	Subcommittee on Revenues Other Than Property Taxes

Article  
and  
Section  
X, 1

Subject  
Taxing power; specific taxes

Assignment  
Subcommittee on Revenues Other Than  
Property Taxes except provisions  
regarding property taxes to Committee  
on Revenue, Finance and Taxation  
and dedications to Subcommittee on  
Public Finance

X, 1(a)

State tax, levy or increase; two-  
thirds approval

Subcommittee on Revenues Other Than  
Property Taxes

X, 1.1

Income taxes; exemption for Viet  
Nam veterans

Subcommittee on Revenues Other Than  
Property Taxes

X, 2

Tax Commission; powers; appointment;  
terms; salary

Committee on Revenue, Finance and  
Taxation

X, 3

Rate of state taxation; limitation

Committee on Revenue, Finance and  
Taxation

X, 4

Tax exemptions

Committee on Revenue, Finance and  
Taxation

X, 5

Parochial and municipal corporations;  
public boards; taxing power;  
limitations

Subcommittee on Revenues Other Than  
Property Taxes; Coordinate with Local  
and Parochial Government

X, 5.1

Action to be taken upon the integration  
of any tax supported facility of any  
political subdivision of the state which  
was segregated as to race by law when  
the tax was authorized

Subcommittee on Revenues Other Than  
Property Taxes

X, 6

Local, municipal and district taxes;  
assessment; collection

Committee on Revenue, Finance and  
Taxation regarding property taxes;  
Subcommittee on Revenues Other Than  
Property Taxes regarding local taxes;  
Coordinate with Local and Parochial  
Government

Article and Section	Subject	Assignment
X, 7	Inheritance and donation taxes; exemptions	Subcommittee on Revenues Other Than Property Taxes
X, 8	License taxes; restrictions	Subcommittee on Revenues Other Than Property Taxes
X, 9	Banks, domicile out of state; international or foreign banking; tax	Committee on Revenue, Finance and Taxation regarding property taxes; Subcommittee on Revenues Other Than Property Taxes regarding balance of section
X, 10	Political subdivisions; special local taxes; purposes; limitations	Coordinate with Local and Parochial Government; Committee on Revenue, Finance & Taxation
X, 10A	Special tax for municipal services	Coordinate with Local & Parochial Government; Committee on Revenue, Finance and Taxation
X, 10B	Revenue sharing fund	Coordinate with Local & Parochial Government; Committee on Revenue, Finance & Taxation regarding relationship to property taxes; also to Subcommittee on Public Finance
X, 11	Collection of taxes; tax sales; quieting tax titles; postponement of taxes; loans to parishes	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation regarding property taxes; Subcommittee on Revenues Other Than Property Taxes for balance.
X, 12	Real estate valuation	Committee on Revenue, Finance and Taxation
X, 13	Local improvement assessments	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation

Article and Section	Subject	Assignment
X, 14	Local application of certain constitutional provisions	Subcommittee on Revenues Other Than Property Taxes
X, 15	Survey and maps to aid assessment and taxation; cost	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation
X, 16	Rolling stock; nonresident owners; assessment	Coordinate with Local and Parochial Government; Committee on Revenue, Finance, and Taxation
X, 17	Vehicles; license taxes; double taxation	Coordinate with Local and Parochial Government; Subcommittee on Revenues Other Than Property Taxes
X, 18	Collection of taxes; process to restrain; refunds	Subcommittee on Revenues Other Than Property Taxes
X, 19	Dwelling house exemption in certain municipalities; time limit	Committee on Revenue, Finance and Taxation
X, 20	Tax forfeitures prior to 1880; annulment	Committee on Revenue, Finance and Taxation
X, 21	Severance tax on natural resources	Subcommittee on Revenues Other Than Property Taxes
X, 22	New industries; exemption from municipal and parochial taxation; school tax exception	Subcommittee on Revenues Other Than Property Taxes
X, 23	Tax levy for capital improvements at Francis T. Nicholls State College at Thibodaux	Committee on Revenue, Finance and Taxation
X, 24	Tax relief for manufacturing establishments	Subcommittee on Revenues Other Than Property Taxes

<u>Article and Section</u>	<u>Subject</u>	<u>Assignment</u>
X-A, 1	Ad valorem property taxes by state repealed	Committee on Revenue, Finance and Taxation
X-A, 2	Outstanding bonds secured by pledge or dedication of state property taxes made general obligation of the state; payment from Bond Security and Redemption Fund	Committee on Revenue, Finance and Taxation
X-A, 3	Payment of Confederate pensions from general fund of the state	Committee on Revenue, Finance and Taxation regarding relationship to property taxes; balance to Subcommittee on Public Finance
X-A, 4	Annual payment to Louisiana State University and Agricultural and Mechanical College	Committee on Revenue, Finance and Taxation regarding relationship to property taxes; balance to Subcommittee on Public Finance
X-A, 5	Self-operative provision	Committee on Revenue, Finance and Taxation
XI, 1	Property exempt; valuation; claim of benefit	Committee on Revenue, Finance and Taxation
XI, 2	Existing rights; debts excluded from exemption; enforcement of judgment, etc.	Committee on Revenue, Finance and Taxation
XI, 3	Sales; waiver of homestead	Committee on Revenue, Finance and Taxation
XI, 4	Exemption without registration; recordation in New Orleans	Committee on Revenue, Finance and Taxation
XI, 5	Self-operative provision	Committee on Revenue, Finance and Taxation
XII, 8	Administrative departments; expenditures; legislative control	Subcommittee on Public Finance

Section  
and  
Article  
XII, 9

Subject

Higher institutions of learning;  
appropriations

Assignment

Coordinate with Education and  
Welfare; Subcommittee on Public  
Finance

XII, 13

No appropriation of public funds  
for private or sectarian schools

Assigned to Education & Welfare

XII, 14

Elementary and secondary school;  
sources of funds; apportionment

Coordinate with Education and  
Welfare; Committee on Revenue,  
Finance & Taxation regarding property  
taxes; Subcommittee on Public Finance  
regarding balance of section

XII, 15

Parish school funds; sources;  
management

Coordinate with Education and  
Welfare; Committee on Revenue,  
Finance & Taxation regarding  
dedications and bonds; Subcommittee  
on Revenues Other Than Property Taxes  
regarding balance of section

XII, 16

Orleans Parish School Board; tax  
rate; payment to levy commissioners;  
indebtedness; bond issue; additional  
tax

Coordinate with Education and  
Welfare; Committee on Revenue,  
Finance and Taxation regarding  
property taxes; Subcommittee on  
Public Finance regarding bonds &  
indebtedness; Subcommittee on Revenues  
Other Than Property Taxes regarding  
taxes & exemptions

XII, 17

Louisiana State University; sources  
of funds

Committee on Revenue, Finance and  
Taxation; Coordinate with Education  
and Welfare

XII, 18

Sixteenth section or indemnity lands;  
adjustments; distribution of proceeds

Coordinate with Education and  
Welfare; Subcommittee on Public  
Finance

XII, 19

Free school fund; state indebtedness;  
interest; proceeds of sale of six-  
teenth sections

Coordinate with Education & Welfare;  
Subcommittee on Public Finance

SubjectSeminary fund; state indebtedness;  
interest

XII, 21

Agricultural and mechanical college  
fund; state indebtedness; interest

XII, 22

Segregation of funds

XIV, 7

Withdrawal of municipality from  
parochial taxing authority

XIV, 8

Parochial taxation in cities and  
towns; limitation

XIV, 9

Tax assessor

XIV, 10

Municipal consolidation; special  
taxes

XIV, 11

Parochial tax limits; tax for  
municipal, district and parish  
fairs

XIV, 12

Municipal tax limits; special taxes

XIV, 13

City of Shreveport bonds ratified  
and reaffirmed

XIV, 14

Subdivisions of state; creation;  
indebtedness; bond issues; special  
taxesAssignmentCoordinate with Education and  
Welfare; Subcommittee on Public  
FinanceCoordinate with Education and  
Welfare; Subcommittee on Public  
Finance

Subcommittee on Public Finance

Coordinate with Local and Parochial  
Government; Subcommittee on Revenues  
Other Than Property TaxesCoordinate with Local and Parochial  
Government; Subcommittee on Revenues  
Other Than Property TaxesCommittee on Revenue, Finance and  
TaxationCommittee on Revenue, Finance and  
Taxation; Coordinate with Local and  
Parochial GovernmentCoordinate with Local & Parochial  
Government; Committee on Revenue,  
Finance and TaxationCoordinate with Local and Parochial  
Government; Committee on Revenue,  
Finance and TaxationCoordinate with Local and Parochial  
Government; Subcommittee on Public  
FinanceCoordinate with Local and Parochial  
Government; Committee on Revenue,  
Finance and Taxation

<u>Article and Section</u>	<u>Subject</u>	<u>Assignment</u>
XIV, 14(a)	Subdivisions of state listed; indebtedness; bond issues; tax	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation
XIV, 14(b.1)	Purposes for parish, municipal, and school district bond issues	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 14(b.2)	Encouragement of industrial enterprises; bonds to acquire plant sites	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation regarding property taxes; Subcommittee on Public Finance regarding bonds and debt; Subcommittee on Revenues Other Than Property Taxes regarding relationship to exemptions
XIV, 14(b.3)	Encouragement of industrial enterprises by the issuance of industrial revenue bonds	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 14(c)	Road districts, sub-road districts, and sewerage districts	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 14(c.1)	Road lighting districts	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 14(c.2)	Road lighting districts; designation	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 14(c.3)	Road lighting districts; tax levy	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation
XIV, 14(c.4)	Road lighting districts; amendment self-operative	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation

Article  
and

Section

XIV, 14(d) Irrigation, gravity drainage, and  
sub-drainage districts

Assignment

Coordinate with Local and Parochial  
Government; Subcommittee on Public  
Finance

XIV, 14(d-1) Fire protection districts

Coordinate with Local and Parochial  
Government; Committee on Revenue,  
Finance and Taxation regarding property  
taxes; Subcommittee on Public Finance  
regarding debt and bonds.

XIV, 14(d-2) Airport districts

Coordinate with Local and Parochial  
Government; Committee on Revenue,  
Finance and Taxation regarding  
property taxes; Subcommittee on  
Public Finance regarding bonds & debt.

XIV, 14(d-2) Hospital service districts

Coordinate with Local and Parochial  
Government; Committee on Revenue,  
Finance and Taxation regarding property  
taxes; Subcommittee on Public Finance  
regarding bonds and debt.

XIV, 14(d-4) Recreation districts; creation;  
indebtedness; bonds; taxation;  
political subdivisions; validation

Coordinate with Local and Parochial  
Government; Committee on Revenue,  
Finance, and Taxation regarding  
property taxes; Subcommittee on  
Public Finance regarding bonds & debt.

XIV, 14(e) Funding and refunding bonds

Coordinate with Local and Parochial  
Government; Subcommittee on Public  
Finance

XIV, 14(f) Debt limits; drainage district acreage tax

Coordinate with Local and Parochial  
Government; Committee on Revenue,  
Finance and Taxation regarding property  
taxes; Subcommittee on Public Finance  
regarding bonds and debt limits

XIV, 14(f.1) Monroe; treatment as parish-  
wide school district for purposes  
of debt and bond limits for school  
purposes

Coordinate with Local and Parochial  
Government; Subcommittee on Public  
Finance

Article and Section	Subject	Assignment
XIV, 14(g)	Refunding bonds	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation regarding property taxes; balance of section to Subcommittee on Public Finance
XIV, 14(h)	Maturity time limit; intent; price	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 14(i)	Taxes; action to enforce collection	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation
XIV, 14(j)	Taxes; imposition and collection by state or parochial officers	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation regarding property taxes; Subcommittee on Public Finance regarding bonds and debt
XIV, 14(k)	Assumption of district indebtedness by parishes	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 14(k-1-a)	Consolidated gravity drainage districts	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 14(k-1-b)	Consolidated special service districts	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 14(l)	Issue and sale of bonds without election	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation regarding property taxes; Subcommittee on Public Finance regarding bonds
XIV, 14(m)	Revenue bonds; acquisition, etc., of utilities	Coordinate with Local and Parochial Government; Subcommittee on Public Finance

<u>Article and Section</u>	<u>Subject</u>	<u>Assignment</u>
XIV, 14(m.1)	Delegation of power to commission or agencies	Coordinate with Local and Parochial Government; Subcommittee on Revenues Other Than Property Taxes regarding revenue producing projects; Subcommittee on Public Finance regarding bonds
XIV, 14(n)	Contest of bond issue or tax; time	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation
XIV, 14(o)	Gravity drainage districts; additional indebtedness and taxation; funding into bonds	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation regarding property taxes; Subcommittee on Public Finance for balance
XIV, 14(p)	Gravity drainage districts; acreage tax or forced contribution; bonds; maintenance and repairs	Coordinate with Local and Parochial Government; Subcommittee on Revenues Other Than Property Taxes
XIV, 14(q)	Gravity drainage districts; tax levies; assessments and collection	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation
XIV, 14(r)	Gravity drainage districts; tax levies; assessments and collection; time and manner	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation
XIV, 14(s)	Gravity drainage districts; domicile; actions; officers	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 14(t)	Gravity drainage districts; bank deposits; fiscal agent	Coordinate with Local and Parochial Government; Subcommittee on Public Finance

Article  
and  
Section

Subject

Assignment

XIV, 19	Special tax to aid public utilities; elections; qualification of voters	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation
XIV, 20	Board of Assessors for Orleans Parish	Committee on Revenue, Finance and Taxation
XIV, 21	State tax collector for city of New Orleans	Subcommittee on Revenues Other Than Property Taxes
XIV, 22	New Orleans; election of officers; form of government; powers; home rule charters	Assigned to Local and Parochial Government
XIV, 23.1	New Orleans; sewerage, water and drainage systems; special tax; disbursements	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 23.2	New Orleans; sewerage, water and drainage system; extension; special tax	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation
XIV, 23.3	New Orleans; sewerage and water board; water rates; sinking fund; water works construction	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 24	New Orleans; Board of Liquidation of City Debt; bond issues for public improvements	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 24.1	Motor fuel; local taxation prohibited	Coordinate with Local and Parochial Government; Subcommittee on Revenues Other Than Property Taxes
XIV, 24.2	New Orleans; sewerage, water and drainage bonds; authorization	Coordinate with Local and Parochial Government; Subcommittee on Public Finance

<u>Article and Section</u>	<u>Subject</u>	<u>Assignment</u>
XIV, (24.3)	New Orleans; sewerage, water and drainage bonds; authorization by election	Coordinate with Local and Parochial Government; Subcommittee on Public Finance except subject of property taxes to Committee on Revenue, Finance and Taxation
XIV, 24.4	New Orleans; sewerage, water and drainage bonds; funds for payment	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XIV, 24.5	New Orleans; sewerage, water and drainage bonds; tax	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation
XIV, 24.6	New Orleans; sewerage, water and drainage bonds; payment; tax exemption; authorized investment or security	Subcommittee on Revenues Other Than Property Taxes regarding tax exemption; balance to Subcommittee on Public Finance
XIV, 24.7	New Orleans; sewerage, water and drainage bonds; interest; form	Subcommittee on Public Finance
XIV, 24.8	New Orleans; sewerage, water and drainage bonds; sale	Subcommittee on Public Finance
XIV, 24.9	New Orleans; sewerage, water and drainage bonds; use of proceeds	Subcommittee on Public Finance
XIV, 24.10	New Orleans; sewerage, water and drainage bonds; Board of Liquidation; duties	Subcommittee on Public Finance
XIV, 24.11	New Orleans; sewerage, water and drainage bonds; self-operative provisions	Subcommittee on Public Finance
XIV, 24.12	New Orleans; 1930 Bond Issue; authorization	Subcommittee on Public Finance

<u>Article and Section</u>	<u>Subject</u>	<u>Assignment</u>
XIV, 24.13	New Orleans; 1930 Bond Issue; purposes	Subcommittee on Public Finance
XIV, 24.14	New Orleans; 1930 Bond Issue; debt limit	Subcommittee on Public Finance
XIV, 24.15	New Orleans; 1930 Bond Issue; funds pledged for payment	Subcommittee on Public Finance
XIV, 24.16	New Orleans; 1930 Bond Issue; tax	Subcommittee on Public Finance
XIV, 24.17	New Orleans; 1930 Bond Issue; payment; tax exemption; authorized investment; security for deposits	Subcommittee on Revenues Other Than Property Taxes regarding exemptions; balance to Subcommittee on Public Finance
XIV, 24.18	New Orleans; 1930 Bond Issue; interest; form	Subcommittee on Public Finance
XIV, 24.19	New Orleans; 1930 Bond Issue; sale of bonds	Subcommittee on Public Finance
XIV, 24.20	New Orleans; 1930 Bond Issue; application of revenues to payment	Subcommittee on Public Finance
XIV, 24.21	New Orleans; 1930 Bond Issue; self-operative provisions	Subcommittee on Public Finance
XIV, 24.22	New Orleans; 1930 Bond Issue; emergency borrowing	Subcommittee on Public Finance
XIV, 25	New Orleans; special tax for fire and police departments	Revenue, Finance and Taxation
XIV, 26	New Orleans; Public Belt Railroad; Commission	Subcommittee on Public Finance
XIV, 27	New Orleans; Public Belt Railroad; bonds and notes	Subcommittee on Public Finance
XIV, 28	New Orleans; Public Belt Bridge over Mississippi; use; financing	Subcommittee on Public Finance

<u>Article and Section</u>	<u>Subject</u>	<u>Assignment</u>
XIV, 30.2	Lake Charles Harbor and Terminal District; ratification	Assigned to Local and Parochial Government
XIV, 30.3	Navigation and river improvement districts; creation as political subdivisions	Assigned to Local and Parochial Government
XVI, 2	District taxes; Orleans Levee District tax and refunding bonds; increase in tax to raise additional funds	Coordinate with Local and Parochial Government; Committee on Revenue, Finance and Taxation regarding property taxes; balance to Subcommittee on Public Finance
XVI, 3	Bond issues	Coordinate with Local and Parochial Government; Subcommittee on Public Finance
XVIII, 1	Soldier's home	Subcommittee on Public Finance
XVIII, 2	Confederate veterans and their widows; pensions	Subcommittee on Public Finance
XVIII, 3	Confederate veterans and their widows; tax for pensions; bonds	Subcommittee on Public Finance; assigned to Executive Department
XVIII, 5	Mothers' pensions	Subcommittee on Public Finance
XVIII, 6	Confederate veterans and their widows; back pensions; bond issue; tax; transfer of functions	Subcommittee on Public Finance
XVIII, 7	Social Security and Public Welfare	Committee on Revenue, Finance and Taxation
XVIII, 8	Confederate memorial medical center, correctional, charitable and penal institutions; bonds; tax	Subcommittee on Public Finance; assigned to Executive Department

<u>Article and Section</u>	<u>Subject</u>	<u>Assignment</u>
XVIII, 10	Bonuses for service-men and service-women; bonds; tax	Subcommittee on Public Finance
XVIII, 11	Bonuses; veterans of Korean Conflict; widows, orphans, or parents; indebtedness; tax; surplus	Subcommittee on Public Finance
XVIII, 12	Korean bonus	Subcommittee on Public Finance
XVIII, (13)	Veterans of Spanish American War; Boxer Rebellion; Philippine Insurrection and World War I; bonus	Subcommittee on Public Finance
XVIII, 13	Viet Nam bonus bonds	Subcommittee on Public Finance
XIX, 8	Gambling; futures of agricultural products; lotteries	Subcommittee on Revenues Other Than Property Taxes; assigned to Legislative Powers & Functions
XIX, 19	Immovable property; recordation of mortgages, privileges, etc.; prescription of taxes and licenses; privileges on movable property	Subcommittee on Revenues Other Than Property Taxes
XX, 1	Bond issue; Angola plantation enlargement and improvement	Subcommittee on Public Finance

NOTES

Staff Memo 10 A reproduces the following provisions of the 1921 Constitution and their corresponding 1954 Project provisions: Art. IV, Sects. 1(a), 2, 4, 8, 9, 10, 12, 12(a), 17 and 18.

lieved. For example, assume that the percentage of tax relieved depends on income according to the following schedule:

Total Taxpayer Income	Percent of Tax Relieved
\$2,000.00 to \$3,999.00	100%
4,000.00 to 5,999.00	75%
6,000.00 to 7,999.00	50%
8,000.00 to 10,000.00	25%
over 10,000.00	0%

In addition, if it is assumed that tax relief is limited to the first \$10,000 of property value and that the effective property tax rate is 1.8% of market value, the following table illustrates how persons with various income levels and property values would be relieved:

CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
June 5, 1973  
Staff Memorandum No. 11

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RE: Property Tax Exemptions for the Elderly

I. INTRODUCTION

Within the past few years, there has been considerable progress on the part of many states toward providing property tax relief for the elderly homeowner. The purpose of this memorandum is to provide a comprehensive but brief analysis of the methods used by the various states to provide property tax relief for the elderly person.

II. TYPES OF PROPERTY TAX RELIEF FOR THE ELDERLY

There are four major kinds of property tax relief for the elderly and the states can be grouped accordingly. These laws are not to be confused with homestead exemption laws which provide a benefit to all homeowners by exempting a certain amount of residential realty from taxation.

Briefly, the types of property tax relief laws for the elderly can be described as follows:

1. The circuit breaker relates the percentage of property tax relieved to the income of the taxpayer. Most states with this type of relief have sliding scales with a ceiling on income or the amount of relief granted.
2. The absolute grant simply exempts "X" dollars or a fixed percent of assessed value from taxation, or subtracts "X" dollars or a fixed percentage from the tax bill.
3. The absolute grant with an income requirement is exactly the same as the type of relief in No. 2 above, but is limited to elderly homeowners with incomes below a specified level.
4. The tax freeze with an income requirement freezes the tax rate at the level prevailing when the taxpayer turns 65 if his income is below a specified level. The elderly homeowner then pays his taxes at that rate for the duration of his life.

Most of the state laws enacted since 1965 are known as the circuit-breaker type of relief. The circuit-breaker type of relief works in the following manner: the state determines the amount of property tax that it deems excessive, then the excessive amount, with certain restrictions to avoid abuses, is re-

Property Tax Circuit Breaker

Hypothetical Examples

Market Value of House	Family Income	Tax With-out Relief	Tax Savings	Tax With Relief
\$ 7,000	\$ 2,000	\$126.00	\$126.00	\$ 0
	4,000	126.00	94.50	31.50
	6,000	126.00	63.00	63.00
	10,000	126.00	31.50	94.50
12,000	2,000	216.00	180.00	36.00
	4,000	216.00	135.00	81.00
	6,000	216.00	90.00	126.00
	10,000	216.00	45.00	171.00
20,000	2,000	360.00	180.00	180.00
	4,000	360.00	135.00	225.00
	6,000	360.00	90.00	270.00
	10,000	360.00	45.00	315.00

III. COMPARISON OF STATE LAWS

The state laws on property tax relief for elderly homeowners vary with respect to the following provisions: residency requirements, age limitations, income limitations, amount of property covered, and the maximum or minimum amount of relief. (See Appendix for a detailed description of each state's law.)

Circuit Breaker	Absolute Grant	Absolute Grant With Income Requirement	Tax Freeze With Income Requirement
California	Alabama	Delaware	Rhode Island
Colorado	Florida	Georgia	Connecticut
Illinois	Hawaii	Indiana	
Kansas	Idaho	Iowa	
Minnesota	Kentucky	Maryland	
Ohio	South Carolina	Massachusetts	
Oregon		Michigan	
Pennsylvania		Montana	
Vermont		New Hampshire	
Washington		New Jersey	
Wisconsin		New York	
		North Carolina	
		North Dakota	
		Tennessee	

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There are nine states with no program of property tax relief for the elderly -- Arizona, Arkansas, Louisiana, Mississippi, Missouri, Nevada, Oklahoma, New Mexico, and Wyoming.

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## SUMMARY OF STATE LAWS ON PROPERTY

## TAX EXEMPTIONS FOR THE ELDERLY.

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE OF LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTIONS
ALABAMA	Reduced tax bill	Must be a state resident	65	None	\$5,000 assessed value exempted from state ad valorem taxation.
ALASKA	Rebate	Must be a state resident	65	None	Total assessed value exempted from taxation.
ARIZONA	No relief granted				
ARKANSAS	No relief granted				
CALIFORNIA	Rebate	Must be a state resident	62	\$10,000	Relief on first \$7,500 assessed value ranges from 95% of tax payment if income is less than \$1,000 to 1% of tax payment if income is \$10,000.
COLORADO	Income tax credit or rebate	Must have been a state resident for one year	65	\$2400 if single \$3700 if married	Relief limited to 50% of the tax payment. The credit or refund is reduced by 10% of income over \$500 if single, over \$1,800 if married.
CONNECTICUT	Reduced tax bill	Must have been a resident property owner for prior 5 years	65	\$3000 if single \$3700 if married	Freezes property tax at the amount calculated (on value less \$1,000) in the first year a taxpayer meets the qualifications except that if the rate is substantially reduced then the reduced rate will apply. Special taxes are prorated.
DELAWARE	Reduced tax bill	Must have been a resident property owner for prior 3 years	65	\$3,000	\$5,000 assessed value exempted from taxation

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTIONS
FLORIDA	Reduced tax bill	Must have been a state resident for prior 5 years	65	None	\$10,000 assessed value exempted from taxes levied by school boards for current operating expenses.
GEORGIA	Reduced tax bill	Must be state resident	65	\$4,000	\$4,000 assessed value exempted from state and county taxation
HAWAII	Reduced tax bill	Must be a state resident	60	None	\$16,000 assessed value exempted from taxation if claimant is between 60 and 70 years old. If claimant is over 70, \$20,000 assessed value is exempted.
IDAHO	Reduced tax bill	Must have been a resident property owner for 10 years	65	\$4,800	First \$75 in taxes is relieved.
ILLINOIS	Reduced tax bill		65	None	\$1,500 reduction in equalized assessed valuation.
INDIANA	Reduced tax bill	Must have been a resident property owner for 1 year	65	\$6,000	Total homestead exemption (value of property may not exceed \$6,500).
IOWA	Reduced tax bill		65	\$4,000	\$2,500 assessed value exempted from taxation

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTIONS
KANSAS	Income tax credit	Must have been domiciled in the state for prior year	65	\$6,000	A percentage of tax bill relieved according to how much property taxes exceed a percentage of income, both percentages depending on income: 100% relief of taxes in excess of 1% of \$500 - \$1,000 to 60% relief of taxes in excess of 11% of \$5,500 - \$6,000.
KENTUCKY	Reduced tax bill		65	None	\$6,500 assessed valuation exempted from taxation.
LOUISIANA	No relief granted				
MAINE	Grant	Must have been domiciled in the state for prior year	65 for males 62 for females	35% of income must be attributed to claimant & must not exceed \$4,000	Relief equals 7% of difference between \$4,000 and income less than that.
MARYLAND	Reduced tax bill		65	\$5,000	Relief equals 50% of assessed valuation or \$4,000, whichever is less. Applies against county property taxes only.
MASSACHUSETTS	Reduced tax bill	Must have been domiciled in the state for the prior 10 years and a property owner for prior 5 years	70	\$6,000 if single \$7,000 if married	Amount of exemption is \$525 for the 18-month fiscal year which began January 1, 1973

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTIONS
MICHIGAN	Reduced tax bill	Must have been a state resident for 5 out of last 10 years	65	\$6,000	\$2,500 assessed value is exempted from taxation.
MINNESOTA	Income tax credit or rebate	Must be a state resident	65	\$5,000	A percentage of property tax is relieved depending on income: 90-100% on an income of \$0 - \$1,000 to 10-20% relief on an income of \$4,500-\$5,000.
MISSISSIPPI	No relief granted				
MISSOURI	No relief granted				
MONTANA	Reduced tax bill		62 for widows 65 for widowers	\$4,000 if single \$5,200 if married	Property is taxed at 15% of the assessed value
NEBRASKA	Reduced tax bill		70	None	Limited homestead exemption of 50% of first \$1,500. Assessed valuation for veterans only.
NEVADA	No relief given				
NEW HAMPSHIRE	Reduced tax bill	Must have been a state resident for prior 5 years	70	\$4,000 if single \$5,000 if married	\$5,000 assessed value, or a percentage of \$5,000 if not assessed at full value, is exempted from taxation.

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE OF LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTIONS
NEW JERSEY	Reduced tax bill	Must have been a state resident for 1 year	65	\$5,000	Taxes are reduced by \$160 unless taxes due are less.
NEW MEXICO	No relief granted				
NEW YORK	Reduced tax bill	Must have owned residence for prior 5 years	65	\$3,000-\$6,000 by local choice	Authorities of local government authorized to enact laws allowing up to 50% of the value of claimant's residence to be exempted from taxation.
NORTH CAROLINA	Reduced tax bill	Must reside on property at least 6 months out of the year	65	\$3,500	\$5,000 appraised value not taxed.
NORTH DAKOTA	Reduced tax bill		65	\$3,500	50% deduction of assessed value up to \$1,000.
OHIO	Reduced tax bill	Must be domiciled in state	65	\$8,000	Reduction of taxable value according to income: \$5,000 or 70% (whichever is less) for income less than \$2,000 to \$2,000 or 40% (whichever is less) for income between \$6,000 - \$8,000.
OKLAHOMA	No relief granted				

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATIONS	INCOME LIMITATIONS	PROVISIONS OF EXEMPTIONS
OREGON	Reduced tax bill	Must be state resident for tax period	None	None	Relief is based on the amount by which taxes exceed a percentage of the income: 3% on income up to \$1,500 to 7% on income over \$8000. Relief is \$105 greater if the claimant is over 80.
PENNSYLVANIA	Rebate		65/50 for widows	\$7,500	Percentage of property taxes allowed as relief depends on income: 100% for incomes under \$100 to 10% for incomes between \$6,000 - \$7,499.
RHODE ISLAND	Varies locally	Varies locally	65	\$4,000 for tax freeze	Property tax exemption is authorized by state law, but provisions are approved by the local electorates in various ways. The tax freeze is authorized only for claimants with incomes less than \$4,000.
SOUTH CAROLINA	Reduced tax bill		65	\$4,800	\$5,000 fair value exempted from county, school, and special assessment property taxes.
SOUTH DAKOTA	Reduced tax bill		65	None	\$1,000 assessed value of real estate exempted from taxation.

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATIONS	INCOME LIMITATIONS	PROVISIONS OF EXEMPTIONS
TENNESSEE	Tax refund	Must be a resident property owner for 1 year	65	\$4,800	Refund to every tax payer 65 years of age, or over, whose annual income does not exceed \$4,800.
TEXAS	Reduced ad valorem tax on property being used for benefit of the elderly.		62		An exemption is provided for property used by certain non-profit corporations organized to provide homes for the elderly.
UTAH	Abatement		65	\$2,500 if single \$3,000 if married	Abatement of up to \$50 or one-half of the total property tax, whichever is less.
VERMONT	Income tax credit or rebate	Must have been domiciled in the state for prior year	65	\$4,286	Tax payment in excess of 7% of claimants income times a local rate factor is relieved.
VIRGINIA	Reduced tax bill		65	\$1,500	Homestead exemption or deferrals are provided for by the counties, cities and towns in various ways.
WASHINGTON	Reduced tax bill	Must have occupied home for prior 2 years and been a state resident for prior 3 years	62	\$6,000	Percentage of excess levies exempted depending on income: 100% for incomes less than \$4,000, 50% for incomes between \$4,000---\$6,000.

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTIONS
WEST VIRGINIA	Reduced tax bill		65	\$15,000	Basic circuit breaker legislation to take effect July 1, 1973.
WISCONSIN	Income tax credit or rebate	Must have been a state resident for prior year	62/60 for totally and permanently disabled persons	\$5,000	Formula provides for a diminishing credit as income rises.
WYOMING	No relief granted				

Source: Commerce Clearing House: State Tax Reporter

State-Local Finances: Significant Features and Suggested Legislation

(ACIR, 1972)

CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
May 28, 1973  
Staff Memorandum No.12

RE: Included herein is a listing of the five parishes with the high and low figures in the following categories: total assessment; average millage; total state, parish, and local taxes paid; assessment ratio; number of taxpayers; population; taxes paid per taxpayer; and taxes paid per capita.

Total Assessments

In total assessment for tax purposes (Table I) - Orleans Parish has the highest total assessment (\$1,240,843,000), followed by East Baton Rouge Parish (\$549,680,000), Caddo (\$454,933,000), Jefferson (\$255,943,000), and Calcasieu (\$241,688,000).

Red River Parish has the lowest assessment for tax purposes (\$8,831,000), followed by St. Helena Parish (\$10,153,000), Tensas (\$10,783,000), Grant (\$10,929,000), and Catahoula (\$11,595,000).

Average Millage

In terms of tax millage levied (Table I), Jefferson Parish ranks highest with an average millage (106.5), followed by St. Bernard (97.2), Livingston (91.6), St. Martin (90.8), and Allen (83.2).

Plaquemines Parish has the lowest average millage (27.3), followed by DeSoto (27.7), East Feliciana (31.2), West Feliciana (31.3), and Ouachita and Pointe Coupee (36.2).

Total State, Parish, and Local Taxes Paid

With respect to the figures dealing with total state, parish, and local taxes paid, (Table I) it should be noted that the average millage multiplied by total assessment for tax purposes is not equal to the totals in this column due to rounding. The taxes paid, in this column, were taken from the work sheets of the office of the state treasurer. The amounts used in the brief analysis below are:

Orleans Parish has the highest total taxes paid (\$59,252,000), followed by East Baton Rouge Parish (\$29,793,000), Jefferson (\$27,358,000), Caddo (\$18,741,000), and Calcasieu (\$14,306,000).

Likewise, Red River Parish has the lowest total taxes paid (\$409,000), followed by East Feliciana (\$453,000), West Carroll (\$583,000), Tensas and Catahoula (\$653,000), and West Feliciana (\$690,000).

Assessment Ratio

Caddo Parish has the highest assessment ratio (Table I) (31.5%) followed by Orleans (24.7%), East Carroll (24.5%), Assumption and St. Mary (23.5%), and Iberia (23.1%).

Lafayette Parish has the lowest assessment ratio (7.1%), followed by Cameron (7.2%), St. Helena (8.2%), Allen (8.3%), and Terrebonne (8.7%).

Number of Taxpayers

Excluding Orleans Parish for which figures for the

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number of taxpayers are not available, (Table II) Jefferson Parish ranks highest (132,679), in number of taxpayers, followed by Caddo (102,789), East Baton Rouge (91,195), Calcasieu (58,600), and St. Tammany (41,128).

The chart reflects that the lowest number of taxpayers are in East Feliciana Parish (2,032), followed by West Carroll (2,114), Red River (2,623), St. Helena (3,032), and East Carroll (3,650).

Population

According to the 1970 Census, Orleans Parish has the largest population (Table II) (606,900), with Jefferson (345,205), East Baton Rouge (301,730), Caddo (235,393), and Calcasieu (148,704), and Rapides (120,751) following.

Based on the same census, Cameron Parish has the smallest population (8,379), followed by Red River (9,435), Caldwell (9,566), Tensas (9,951), and St. Helena (10,162).

Taxes Paid per Taxpayer

With the figures for the taxes paid per taxpayer (Table II) not available for Orleans Parish, St. Bernard Parish is the highest (\$554.26), followed by Assumption (\$502.42), Plaquemines (\$376.62), Cameron (\$369.88), and St. James (\$349.17).

DeSoto Parish has the lowest taxes paid per taxpayer (\$43.08), followed by Tangipahoa (\$46.88), Avoyelles (64.88), St. Tammany (\$74.76) and Winn (\$88.18).

Taxes Paid per Capita

With the figures for the taxes paid per capita (Table II) not available for Orleans Parish, Cameron Parish has the

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highest (\$279.38), followed by St. Bernard (\$176.31), Plaquemines (\$176.26), St. Charles (\$109.37), and LaSalle (\$102.75).

Tangipahoa Parish has the lowest taxes paid per capita (\$16.55), followed by Vernon (\$19.86), Avoyelles (\$22.01), DeSoto (\$22.46), and East Feliciana (\$25.08).

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TABLE I

Total Assessment for Tax Purposes; Average State and Local  
 Millage; Total State, Parish and Local Taxes Paid; Assessment Ratios  
 (All data is 1972 unless otherwise indicated)

Parish	Total Assessment for Tax Purposes (000's)	Average State & Local Mil- lage	Total State, Parish, & Local Taxes Paid 1 (000's)	Assessment Ratio 2 (1958)
Acadia	\$ 65,495	34.8	\$ 2,526	15.5%
Allen	18,192	83.2	1,512	8.3
Ascension	44,848	48.9	2,220	14.4
Assumption	23,128	43.8	1,035	23.5
Avoyelles	18,550	44.8	850	17.8
Beauregard	27,827	58.5	1,652	13.2
Bienville	25,924	39.2	1,021	19.6
Bossier	56,192	49.9	2,821	18.8
Caddo	454,933	41.0	18,741	31.5
Calcasieu	241,688	59.6	14,306	14.5
Caldwell	12,121	63.2	763	16.5
Cameron	37,997	61.2	2,341	7.2
Catahoula	11,595	56.3	653	17.5
Claiborne	21,113	39.7	838	16.9

Parish	Total Assessment for Tax Purposes (000's)	Average State & Local Mil- lage	Total State, Parish, & Local Taxes Paid 1 (000's)	Assessment Ratio 2 (1958)
Concordia	\$ 14,276	65.5	\$ 943	10.9%
DeSoto	18,882	27.7	523	15.0
East Baton Rouge	549,680	53.2	29,793	17.1
East Carroll	15,459	46.7	731	24.5
East Feliciana	14,638	31.2	453	10.1
Evangeline	31,364	41.4	1,316	9.3
Franklin	18,375	63.8	1,168	15.4
Grant	10,929	66.8	713	20.1
Iberia	57,204	58.4	3,363	23.1
Iberville	49,356	49.1	2,424	20.6
Jackson	16,897	62.9	1,061	12.8
Jefferson	255,943	106.5	27,358	9.8
Jefferson Davis	47,112	39.4	1,863	10.7
Lafayette	69,473	66.6	4,627	7.1
Lafourche	79,275	79.1	6,522	12.5
LaSalle	22,497	61.1	1,397	16.5
Lincoln	31,112	53.8	1,673	16.9

Parish	Total Assessment for Tax purposes (000's)	Average State & Local Mil- lage	Total State, Parish, & Local Taxes Paid (000's)	Assessment Ratio 2 (1958)
Livingston	\$ 13,565	91.6	\$ 1,241	13.1%
Madison	18,425	46.5	859	20.2
Morehouse	50,188	37.7	1,905	18.0
Natchitoches	29,450	70.6	2,127	18.9
Orleans	1,240,843	44.0	59,252	24.7
Ouachita	151,659	36.2	5,723	18.9
Plaquemines	166,018	27.3	4,547	17.1
Pointe Coupee	21,659	36.2	795	15.9
Rapides	75,995	75.8	5,690	10.7
Red River	8,831	45.8	409	15.5
Richland	27,492	48.5	1,334	22.3
Sabine	16,803	74.3	1,258	11.5
St. Bernard	55,258	97.2	9,229	15.4
St. Charles	58,565	56.0	3,305	12.0
St. Helena	10,153	73.2	742	8.2
St. James	34,869	58.8	2,064	16.1

Parish	Total Assessment for Tax Purposes (000's)	Average State & Local Mil- lage	Total State, Parish, & Local Taxes Paid 1 (000's)	Assessment Ratio 2 (1958)
St. John the Baptist	\$ 17,356	65.9	\$ 1,196	18.1%
St. Landry	70,870	42.5	3,198	20.2
St. Martin	24,049	90.8	2,224	10.2
St. Mary	134,478	36.6	5,058	23.5
St. Tammany	43,680	69.4	3,075	14.6
Tangipahoa	33,506	69.4	1,115	10.8
Tensas	10,783	60.4	653	22.0
Terrebonne	117,729	66.0	7,917	8.7
Union	17,056	60.9	1,079	14.8
Vermillion	53,438	58.0	3,127	11.3
Vernon	15,228	71.8	1,093	16.6
Washington	41,921	51.3	2,168	14.1
Webster	42,702	49.0	2,069	16.4
West Baton Rouge	18,591	48.3	897	15.5
West Carroll	18,553	54.0	583	21.5

Parish	Total Assessment for tax purposes (000's)	Average State & Local Mil- lage	Total State, Parish, & Local Taxes Paid 1 (000's)	Assessment Ratio 2 (1958)
West Feliciana	\$ 13,013	31.3	690	20.1%
Winn	14,099	56.1	790	13.8
TOTAL	\$5,028,900	56.2	\$274,619	15.6%

1 The average millage times total assessment for tax purposes is not equal to this column due to rounding. The taxes paid in this column was taken from the work sheets of the office of State Treasurer.

2 1958 data, PAR Report, The Property Tax System of Louisiana, Baton Rouge, Louisiana, 1960

TABLE II

Number of Taxpayers, Population, Per Taxpayer Taxes Paid,  
and Per Capita Taxes Paid by Parishes in Louisiana, 1972

Parish	No. of Tax- payers per Parish	Population <sup>1</sup>	Per Tax- payer State, Local & Parish Taxes Paid	Per Capita State, Local & Parish Taxes Paid
Acadia	19,740	53,287	\$ 127.96	\$ 47.40
Allen	9,462	21,265	159.79	71.10
Ascension	13,845	37,925	160.34	58.53
Assumption	7,060	20,099	502.42	51.49
Avoyelles	13,100	38,605	64.88	22.01
Beauregard	12,526	23,405	131.88	70.58
Bienville	8,665	16,386	117.83	62.30
Bossier	23,402	65,979	120.54	42.75
Caddo	102,789	235,393	182.32	79.61
Calcasieu	58,600	148,704	244.12	96.20
Caldwell	4,795	9,566	159.12	79.76
Cameron	6,329	8,379	369.88	279.38
Catahoula	5,293	12,035	123.37	54.25
Claiborne	8,879	17,410	94.37	48.13

Parish	No. Of Tax- payers per Parish	Population	Per Tax- payer State, Local & Parish Taxes Paid	Per Capita State, Local & Parish Taxes Paid
Concordia	7,387	23,089	\$ 127.65	\$ 40.84
DeSoto	12,139	23,279	43.08	22.46
East Baton Rouge	91,195	301,730	326.69	98.74
East Carroll	3,650	13,074	200.27	55.91
East Feliciana	2,032	18,057	222.93	25.08
Evangeline	9,230	32,654	142.57	40.30
Franklin	8,609	24,487	135.67	47.69
Grant	6,209	13,981	114.83	50.99
Iberia	18,919	58,696	177.75	57.29
Iberville	9,608	31,442	252.28	77.09
Jackson	7,770	16,325	136.55	64.99
Jefferson	132,679	345,205	206.19	79.25
Jefferson Davis	13,303	30,222	140.04	61.64
Lafayette	38,395	112,198	120.51	41.23
Lafourche	24,462	70,501	266.61	92.50
LaSalle	6,780	13,596	206.04	102.75
Lincoln	12,340	34,538	135.57	48.43

Parish	No. of Tax-payers per Parish	Population	Per Tax-payer State, Local & Parish Taxes Paid	Per Capita State, Local & Parish Taxes Paid
Livingston	13,928	37,337	\$ 89.10	\$ 33.23
Madison	5,131	15,405	167.41	55.76
Morehouse		33,197		57.38
Natchitoches	13,447	36,016	158.17	59.05
Orleans		606,900		
Ouachita	38,785	117,998	147.55	48.50
Plaquemines	12,073	25,796	376.62	176.26
Pointe Coupee	5,958	22,500	133.43	35.33
Rapides	34,744	120,751	163.76	47.12
Red River	2,623	9,435	155.92	43.34
Richland	9,179	22,267	145.33	59.90
Sabine	11,756	19,060	107.00	66.00
St. Bernard	16,651	52,343	554.26	176.31
St. Charles	11,570	30,218	285.65	109.37
St. Helena	3,032	10,162	244.72	73.01
St. James	5,911	20,179	349.17	102.28

Parish	No. of Tax- payers per Parish	Population	Per Tax- payer State, Local & Parish Taxes Paid	Per Capita State, Local & Parish Taxes Paid
St. John the Baptist	7,993	24,352	\$ 149.63	\$ 49.11
St. Landry	26,000	82,182	123.00	38.91
St. Martin	15,000	33,187	148.26	67.01
St. Mary	17,758	62,126	284.82	81.41
St. Tammany	41,128	65,023	74.76	47.29
Tangipahoa	23,782	67,365	46.88	16.55
Tensas	3,873	9,951	168.60	65.62
Terrebonne	25,312	77,769	312.77	101.80
Union	11,099	18,863	97.21	57.20
Vermilion		44,044		70.99
Vernon	10,892	55,010	100.34	19.86
Washington	14,384	42,936	150.72	50.49
Webster	17,265	40,842	119.83	50.65
West Baton Rouge	5,351	17,244	167.63	52.01
West Carroll	2,114	13,322	275.78	43.76

Parish	No. of Tax-payers per Parish	Population <sup>1</sup>	Per Tax-payer State, Local & Parish Taxes Paid	Per Capita State, Local & Parish Taxes Paid
West Feliciana	4,274	11,632	\$ 161.44	\$ 59.31
Winn	8,958	16,739	88.18	47.19
TOTAL	1,119,163 <sup>2</sup>	3,733,663	\$ 192.46	\$ 57.68

1 The estimates for the 1972 Louisiana parish population are calculated using an annual rate of growth of 1.125 percent multiplied by the 1970 census data. U.S. Bureau of the Census, Current Population Reports, Series P-25, NO. 436.

2 Totals do not include amounts for Morehouse, Orleans, and Vermillion Parishes.

SOURCES OF REVENUE RECEIPTS DISTRIBUTED BY MAJOR FUNDS: 1971 - 1972  
5-10-73

STATE TAXES, LICENSES, FEES, ETC.:	Distribution by Major Funds			Pertinent Provisions	Authority for Dedication	Flow Chart of Disposition
	Bond Security and Redemption Fund	Other Funds Amount	Name of Fund			
Total 1971-1972				Constitutional	Statutory	
Alcoholic Beverage: Tax	\$ 14,860,656.57	\$ 4,348,475.45	\$ 10,512,181.12	Property Tax Relief	RS 26:1- 26:741	RS 26:347; 26:459- 460; 39:251- 253 Act 272 of 1970
Fees, Inspection & Gallonage Tax	159,599.69	159,599.69	-0-			1)Maximum of \$150,000. a year to Dept. of Revenue for cost of collection; 2)Discount of 6% granted to all taxpayers for timely remittance, 1/6 of which is retained by Dept. of Revenue for cost of collection; 3)\$700,000. a year to City of New Orleans (Act 272 of 1970); 4)Property Tax Relief Fund+; 5)Any excess in Property Tax Relief Fund to State General Fund.
TOTAL: Alcoholic Beverage Tax	15,020,256.26	4,508,075.14	10,512,181.12			
Anhydrous Ammonia Permits:	23,561.45	23,561.45	-0-			RS 3:1355- 3:1356

Sources of Revenue Receipts Distributed by Major Funds; 1971 - 1972

Dept. of Revenue (cont'd)	Total 1971-1972	Distribution by Major Funds			Authority for Dedication	Flow Chart of Disposition	
		Bond Security and Redemption Fund	Other Funds				Pertinent Provisions
			Amount	Name of Fund			
Beer: Tax	\$ 22,815,040.28	-0-	\$ 22,815,040.28	Veterans Bonus Tax Account <sup>2</sup>	Art. XVIII, RS 26:341- \$10,11,12, (13) 460; 29:293; 39:453 (E)	RS 26:459- 460; 29:293; 39:453 (E)	1)Maximum of \$125,000. a year to Dept. of Revenue for cost of collecting state & local; 2)Credit of 3% allowed dealers for breakage or spoilage; 3)Veterans' Bonus Fund for bonuses to veterans (and dependents) of W.W. II, Korean Conflict Spanish American War, Boxer Rebellion, Philippine Insurrection, W.W. I, Viet Nam <sup>2</sup> ; 4)Surplus to State General Fund.
Permit Fees	455,445.03	-0-	455,445.03	Veterans Bonus Tax Account <sup>2</sup>	Art. XVIII, RS 26:341- 460; 29:293; 39:453 (E)	RS 26:459- 460; 29:293; 39:453 (E)	1) \$180,000. a year to Dept. of Revenue for cost of collection; 2)Balance dispensed in same manner as beer tax.
Parish Tax	114,548.67	-0-	114,548.67	Veterans Bonus Tax Account <sup>2</sup>	Art. XVIII, RS 26:491 et. seq.	RS 26:491 et. seq.	1)Total to Dept. of Revenue for expenses.
TOTAL: Beer Tax	23,385,033.98	-0-	23,385,033.98				
Certificates of Title- Motor Vehicle:							

RS 32:701-  
734

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
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Dept. of Revenue (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions	Authority for Dedication	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount			

Certificates of Title-

Motor Vehicle:

Title Fees \$ 3,302,289.00 \$ -0- \$ 3,302,289.00 Revenue Dept.

RS 32:728;  
32:733;  
32:718;  
32:720.1

RS 32:733

1) Commissioner authorized to withhold as much of title certificate fees as is necessary to defray cost of administering Vehicle Certificate of Title Law and to pay additional expense incurred in manufacturing vehicle registration reflector license plates;  
2) Next \$1,100,000.00 of fees collected dedicated to Dept. of Public Safety to be used for additional force of 100 state troopers and for operation and maintenance of additional state police vehicles and equipment, any surplus to be transferred to State General Fund. [Commissioner entitled to receive \$2,000 annually, payable from funds appropriated for administration of this chapter. All fees collected under RS 32:718(c) [dealer's license] and RS 32:720.1(B) [salesman's license] to be retained by Commissioner and utilized for administering Louisiana Vehicle Certificate of Title Law].

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Dept. of Revenue (cont'd)	Distribution by Major Funds		Pertinent Provisions	Authority for Dedication		Flow Chart of Disposition
	Bond Security and Redemption Fund	Other Funds Amount		Consti- tutional	Statutory	
Total 1971-1972						
Temporary Markers \$	155,518.00	\$ 155,518.00	RS 32:718 (c)			Temporary Markers: Total collections to Dept. of Public Safety, Division of State Police.
TOTAL: Certificates of Title-Motor Vehicle	3,457,807.00	3,457,807.00				
Corporation Franchise Tax:	29,098,533.23	29,098,533.23	RS 47:601- 616	RS 17:2196; 47:7 47:614- 617; Act 97 of 1966		1)Maximum of \$100,000. a year to Dept. of Revenue for cost of collection; 2)Maximum of \$1,000,000. a year to Charity Hospital at New Orleans for bond service authorized by Act 97 of 1966, and any surplus to State General Fund; 3)\$40,000. to Governor's Law Enforcement Firm; 4) (a) \$350,000. a year to LSU for capital construction; (b) \$1,217,000. a year to LSU for maintenance and capital construction; 5)Maximum of \$500,000. a year to State Bd. of Edu- cation and LSU for bond servicing under Act 376 of 1966 (60% to State Bd. of Ed. and 40% to LSU); 6) \$150,000. to State Board of Education for bond servicing of Southern University and Delgado College for additional bonds; 7) Industrial Development Fund; 8) State General Fund.

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Dept. of Revenue (cont'd)	Distribution by Major Funds		Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition
	Total 1971-1972	Bond Security and Redemption Fund	Other Funds Amount	Constitutional	Statutory	Constitutional	
Electricity: Cooperative Tax \$	19,843.40	\$ 19,843.40	-0-	RS 12:401-430	RS 12:425	RS 12:425	State General Fund
Generation Sales	7,187,374.20	7,187,374.20	-0-	RS 47:1061-1072	RS 47:1071-1072	RS 47:1071-1072	1)Maximum of \$25,000. a year to Dept. of Revenue for cost of collection; 2)Balance to State General Fund.
Power Use Tax	3,856,290.84	3,856,290.84	-0-	RS 47:1151-1160	RS 47:1160	RS 47:1160	State General Fund
TOTAL: Taxes on Electricity	11,063,508.44	11,063,508.44	-0-				
Gift Tax:	487,795.84	487,795.84	-0-	Art. X, §7	RS 47:1201-1212	RS 47:1212	State General Fund
Hotel-Motel Occupancy Tax:	52,836.42	-0-	52,836.42	Art. XIV, §47	Art. XIV, §47	Art. XIV, §47	1)Total to La. Stadium Exposition District except 1% tax Orleans Parish School Board is authorized to impose and 1% tax Jefferson Parish School Bd. is authorized to impose. (Amount shown in figures going to State General Fund goes to Dept. of Revenue for costs of collection).
Income Tax:	184,876,598.48	63,257,194.54	121,619,403.94	Art. X, §1	RS 39:251-255; 47:27-285	RS 47:114; 47:284-285	1)Maximum of \$750,000. a year to Dept. of Revenue for cost of collection;

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
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Dept. of Revenue (cont'd)	Distribution by Major Funds			Pertinent Provisions	Authority for Dedication	Flow Chart of Disposition
	Bond Security and Redemption Fund	Other Funds Amount	Name of Fund			
Total 1971-1972				Constitutional	Statutory	
Inspection Fees: Petroleum Products	\$ 617,136.04	\$ -0-	\$ 617,136.04	RS 51:781-800	RS 51:797	2) Each employer, except governmental employers, may withhold 3% of taxes withheld as compensation, provided payment is not delinquent <sup>4</sup> ; 3) Balance to Property Tax Relief Fund <sup>5</sup> .
Liquefied Petroleum: Gas Permits	72,610.01	72,610.01	-0-	RS 40:1847-1850		Dept. of Revenue withholds total amount for enforcement of RS 51:781 et. seq.
Motor Carrier Regulatory Tax:	78,039.27	-0-	78,039.27	RS 45:169-180.1	RS 45:169.1	State General Fund
Natural Gas Franchise Tax:	1,412,171.43	1,412,171.43	-0-			Deposited in Supervision and Inspection Fee Fund to be spent by La. Public Service Commission for enforcement. 1) Maximum of \$24,000. a year to Dept. of Revenue for cost of collection; 2) Balance of collections to State General Fund.

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Dept. of Revenue (cont'd)	Distribution by Major Funds		Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition
	Total 1971-1972	Bond Security and Redemption Fund	Other Funds	Constitutional	Statutory	Constitutional	
Occupational Licenses:	\$2,781,756.70	\$ 9,781,756.70	-0-	Art. X, §8	RS 47:341-405 House Con. Res. No. 25 of 1957	RS 47:404-405	1) Maximum of \$200,000. a year to Dept. of Revenue for cost of collection; 2) Balance of collections, less allowable deductions and refunds, to State General Fund.
Public Utilities Tax:	6,173,128.52	-0-	6,173,128.52	RS 47:1001-1010		RS 47:1009-1010	1) Maximum of \$24,000. a year to Dept. of Revenue for cost of collection; 2) Balance of collections to Property Tax Relief Fund.
Reforestation Tax:	41,556.67	-0-	41,556.67	Art. X, §§1, 21(2)	RS 47:651; 56:1484-1489; 56:1541-1543	Art. X, §§1, 21(2)	3/4 of collections to parishes in which forest products are severed and 1/4 to State General Fund.
Sales Tax: General Tax	277,765,490.19	79,546,078.81	13,798,358.79	RS 17:2251-2255; 39:465-466; 47:306; 47:317-318; Act 9 of 1968 (RS 17:2978 Res.No. 65 of 1967)	RS 17:2251-2255; 39:465-466; 47:306; 47:317-318; Act 9 of 1968 (RS 17:2978 Res.No. 65 of 1967)	RS 17:2251; 39:465-466; 47:306; 47:317-318; Act 9 of 1968 (RS 17:2978 Res.No. 65 of 1967)	1) Vendors allowed 2% of tax collected as deduction, provided amount due is not delinquent at time of payment; 2) Maximum of \$1,100,000. a year to Dept. of Revenue for cost of collections; 3) 7% of collections dedicated to Bond Redemption Fund of La. Fiscal Authority for payment of bonds authorized by

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Dept. of Revenue (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions Consti- tutional	Statutory	Authority for Dedication Consti- tutional	Statutory	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount					
		\$ 1,971,194.12	State School Construction			by Acts 1972, No. 404, §1.)		Act 2 of 1962 with any surplus transferred to Public Welfare Fund; 4) To Capital Construction and Improvement Com- mission (a) Balance to cover \$140 million bond issue authorized by Act 73 of 1965 (b) 1% of collections to pay for bonds issued by authority of Act 84 of 1966; 5) \$900,000. or an amount equal to maximum annual interest requirement, whichever is less, is to go to Larose-Lafitte Toll Road Authority to help finance cost of express- way revenue bonds; 6) Appropriation by legis- lature to cover expenses of Dept. of Public Wel- fare; 7) Recent appropriation bills, including Act 9 of 1968, provide any surplus in Public Welfare Fund goes to State General Fund.
Parish Service Charge	189,252.17	-0-	General Fund					
TOTAL: Sales Tax	277,954,742.36	79,546,078.81	198,408,663.55					
							RS 33:2711 et. seq.	Total to Dept. of Revenue for cost of collection.
							RS 33:2711 et. seq.	

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
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Dept. of Revenue (cont'd)	Total 1971-1972	Distribution by Major Funds			Pertinent Provisions Consti- tutional	Authority for Dedication Consti- tutional	Statutory	Flow Chart of Disposition	
		Bond Security and Redemption Fund	Other Funds Amount	Name of Fund					Statutory
Severance Tax on Natural Resources:	\$242,255,478.75	\$ 478,956.32	\$241,776,522.43	Severance Tax	Art. X, §§1,21, 24; Art.XII, §14	RS 17:351; 47:7; 47:631- 646	RS 47:644- 645	1)Maximum of \$400,000. a year to the Dept. of Revenue for cost of collection; 2)Collections from sever- ance tax on timber dis- tributed as follows: 75% to parish in which timber cut and 25% to State General Fund; 3) (a) 1/3 of severance taxes on sulphur allocated to parishes within which taxes collected, not to ex- ceed \$100,000.00 a year to any parish; (b) 1/5 of severance taxes on oil, gas, salt, coal, ores, marble, stone, gravel, sand and shells allocated to parishes where collected to maximum of \$200,000. per year per parish; 4)Dedication to Severance Tax Fund for supplying free school books and supplies; 5)Any residue in Severance Tax Fund to be transferred to Public School Fund.	

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
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Dept. of Revenue (cont'd)	Distribution by Major Funds			Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition
	Total 1971-1972	Bond Security and Redemption Fund	Other Funds	Constitutional	Statutory	Constitutional	Statutory	
Soft Drinks: Tax	\$ 3,572,545.91	\$ 3,572,545.91	\$ -0-	RS 47:881-908	RS 47:906-907			1)Maximum of \$75,000.00 a year to Dept. of Revenue for cost of collection; 2)Balance of collection to State General Fund.
Permit Fees	5,764.00	5,764.00	-0-	Same	Same			Same as soft drinks tax
TOTAL: Soft Drinks Tax	3,578,309.91	3,578,309.91	-0-					
Supervision & Inspection Fees:	189,801.28	-0-	189,801.28	RS 45:1177-1179				Deposited in Supervision & Inspection Fee Fund to be spent by La. Public Service Commission for enforcement.
Tax Credit Warrants:	42,026.86	-0-	42,026.86	Art. X, Franchise Tax \$24	RS 47:07			See footnote 3.
Tobacco Tax: Tax	47,424,783.10	12,614,624.44	34,810,158.66	RS 1:11.1.1; 47:841-869	RS 1:11.1.1; 47:868-869			1)Maximum of \$125,000. a year to Dept. of Revenue for cost of collection; 2)Discount of 9% granted to qualified dealers if stamps are purchased in quantities of over \$100 face value <sup>10</sup> ;

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
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Dept. of Revenue (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions Consti- tutional	Authority for Dedication Consti- tutional	Statutory	Statutory	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount					

Tobacco Tax (cont'd)

3) \$1,000,000.00 a year to LSU for endowment, maintenance, construction, repair or equipment;

4) Localities (a) 37-1/2% of collections remaining after above dedications to be distributed as follows: 1) Municipalities incorporated on or before August 1, 1962, according to following schedule of census population and amount per inhabitant: \$1,000 or less - \$4.65 plus 9%; 1,001 through 2,500 \$4.40 plus 9%; 2,501 through 10,000 - \$4.25 plus 9%; 10,001 through 25,000 - \$4.00 plus 9%; 25,001 through 100,000 - \$3.50 plus 9%; over 100,000 - \$2.50 plus 9%; 2) If allocations to incorporated municipalities do not equal 37-1/2% of collections (less dedications 1-3 above), remaining portion of 37-1/2% is to be distributed as follows:

(a) Parishes with no incorporated municipalities are to receive \$1.50 per inhabitant; (b) If revenue remains from 37-1/2% of collections, to be used to increase allocations to

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Dept. of Revenue (cont'd)	Tobacco Tax (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions	Authority for Dedication		Flow Chart of Disposition
			Bond Security and Redemption Fund	Other Funds		Consti- tutional	Statutory	
			Amount	Name of Fund	Consti- tutional	Statutory	Consti- tutional	Statutory

3) \$1,000,000.00 a year to LSU for endowment, maintenance, construction, repair or equipment;

4) Localities (a) 37-1/2% of collections remaining after above dedications to be distributed as follows: 1) Municipalities incorporated on or before August 1, 1962, according to following schedule of census population and amount per inhabitant: \$1,000 or less - \$4.65 plus 9%; 1,001 through 2,500 through 10,000 - \$4.25 plus 9%; 10,001 through 25,000 - \$4.00 plus 9%; 25,001 through 100,000 - \$3.50 plus 9%; over 100,000 - \$2.50 plus 9%; 2) If allocations to incorporated municipalities do not equal 37-1/2% of collections (less dedications 1-3 above), remaining portion of 37-1/2% is to be distributed as follows: (a) Parishes with no incorporated municipalities are to receive \$1.50 per inhabitant; (b) If revenue remains from 37-1/2% of collections, to be used to increase allocations to

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Dept. of Revenue (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions Consti- tutional	Statutory	Authority for Dedication Consti- tutional	Statutory	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount					

Tobacco Tax (cont'd)

municipalities, beginning with those receiving smallest per capita allocations and continuing until they receive per capita allocation equal to that of municipality in next highest category, until all municipalities receive equal per capita allocations; 4) (b) Of remaining collections, cities over 100,000 population to receive additional 50¢ per inhabitant; 5) If any excess of 37-1/2% collections, excess is equally divided among all municipalities and qualified parishes. Additional 3¢ cigarette tax enacted by Acts 1970, No. 526, is distributed according to Acts 1970, No. 211 and subsequent General Appropriation Acts as follows:  
1/2 of total collections dedicated to City of New Orleans and balance to all qualifying municipalities and parishes on per capita basis.

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
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Dept. of Revenue (cont'd)	Distribution by Major Funds			Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition
	Total 1971-1972	Bond Security and Redemption Fund	Other Funds	Constitutional	Statutory	Constitutional	Statutory	
Tobacco Tax (cont'd)								
Permit Fees	\$ 39,216.12	\$ -0-	\$ 39,216.12	Tobacco Tax	RS 1:11.1; 47:841-869	RS 1:11.1; 47:868-869	RS 1:11.1; 47:868-869	Total collections from permit fees withheld by Dept. of Revenue for cost of collection.
TOTAL: Tobacco Tax	47,463,999.22	12,614,624.44	34,849,374.78					
Monies of Unknown Owners:	\$ 195,337.76	\$ -0-	\$ 195,337.76	General Fund	RS 9:151-182			State General Fund
TOTAL: DEPARTMENT OF REVENUE	\$857,322,025.88	\$186,824,643.03	\$670,497,382.85					
<u>MINERAL RESOURCES:</u>								
Royalties:	143,907,628.53	117,016,865.68	14,390,762.85	Parish Road Fund-052	Art. IV, \$2	RS 30:136	Art. IV, \$2	1)10% of total royalty collections returned to parishes in which production occurs via Royalty Road Fund; 2) \$12,500,000. dedicated to Long Range Highway Fund; 3)Balance to State General Fund.
			12,500,000.00	Long Range Highway Fund-055				
Rentals:	2,182,737.76	2,172,737.76	10,000.00	State Police Retirement	RS 30:127	RS 30:127; 40:1423.1		1)Dedication of \$10,000. to State Police Retirement Fund; 2)Balance to State General Fund.

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

	Distribution by Major Funds		Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition	
	Total 1971-1972	Bond Security and Redemption Fund	Other Funds Amount	Constitutional	Statutory	Constitutional		Statutory
Mineral Resources (cont'd)								
Bonuses on Mineral Leases:	\$ 7,649,604.95	\$ 7,605,437.12	\$ 44,167.83	RS 30:127; 30:136	RS 30:136; Act 353 of 1958; Act 420 of 1962	1)Dedication to State Mineral Board for Lease Advertising Fund as needed, total allocation at any one time limited to \$10,000.; 2)Maximum of \$20,000. dedicated to State Land Office for expenses of operating Oil & Gas Division; 3)Balance of collection to the State General Fund.		
Wildlife & Fisheries Commission:	7,083,191.21	-0-	7,083,191.21	RS 56:631	RS 56:631	Conservation Fund for operating expenses of Wildlife and Fisheries.		
Leases-Russell Sage Foundation:	451,087.26	-0-	451,087.26	Act 70 of 1920		Russell Sage Foundation Fund used for Marsh Island and Russell Sage Refuge operations.		
Leases and Royalties-Rockefeller Fund:	1,825,387.96	-0-	1,679,480.39	Act 71 of 1920		1) 10% of production on Rockefeller Refuge in Cameron Parish goes to Cameron Parish; 2)Balance to Rockefeller Fund for operations of Rockefeller Refuge by Wildlife and Fisheries.		

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Mineral Resources (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions Constitutional	Authority for Dedication Statutory	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount			
Fees-State Land Office: Sales of Rights- of-Way	\$ 98,419.96	\$ 52,416.88	\$ 46,003.08	RS 41:1173	RS 41:1173	1)Maximum of \$50,000. to Land Management Fund for operation of land management programs; 2)Balance of collections to State General Fund.
Surface Leases	26,300.56	26,300.56	-0-	RS 41:1261; 41:1211 et. seq.	RS 41:1261; 41:1211 et. seq.	State General Fund.
Interest on Escrow Account (Rights- of-Way)	55,723.46	55,723.46	-0-			State General Fund.
Redemption - RS 47:2224	9,245.31	9,245.31	-0-	RS 47:2224	RS 47:2224	Collections of past due state property taxes distributed as speci- fied for ad valorem taxes (see below)11.
Sale of Timber	-0-	-0-	-0-	RS 41:1001- 1006		State General Fund.
Forfeited Bonds	38,465.22	38,465.22	-0-	RS 30:125	RS 30:125	State General Fund.
Redemption Fees RS 41:12	2,132.16	2,132.16	-0-	RS 41:12-13	RS 41:13	State General Fund.

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Mineral Resources (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount	Constitutional	Statutory	Constitutional	Statutory	
Zone II Impoundment	\$ 16,088.71	\$ -0-	\$ 16,088.71	Tidelands Escrow				
TOTAL: State Land Office Fees	246,375.38	184,283.59	62,091.79					
TOTAL: MINERAL RESOURCES	163,346,013.05	126,979,324.15	36,366,688.90					

By US-La. litigation Zone 2 receipts deposited with state treasurer in Tidelands Escrow Fund to be held pending resolution of litigation. As of 05-03-73 unofficially La. by court order will receive total amount of Zone 2 Impoundment Fund.

OTHER RECEIPTS:

Ad Valorem Tax	29,116,994.25	-0-	2,779,178.33	General Fund	Art. IV, RS 17:1516; Art. IV, RS 38:2433; \$12,12(a), 33:1421- \$12,12(A); 47:1704; 17:1516; 13; 1429; Art. XII, 33:1501- \$14; 39:452; Art. VII, \$65 1504; Art. XIV, 38:2431- \$45; 47:1704; Art. X, 3, 4, 2436; Art. XVIII, Act 437 of 11,12,15, 39:452; \$83,6,7,8; 1966; 16,20; 39:455, Art. XII, 47:1701- \$17	1) <sup>12</sup> 1.47 mills to State Bond and Interest Tax Fund for: (a) Interest on permanent state debts-Free School Fund, Seminary Fund, Agricultural & Mechanical College Fund; (b) Redemption of certain bonds issued by La. State Building Authority as authorized by Act 13 of 1954; (c) Any surplus to State General Fund or used to retire bonds in advance of maturity;		
			7,277,001.51	State Bond & Interest Tax				
			2,478,600.58	State University Fund				
			12,375,836.76	Public School Fund				
			4,206,377.07	Confederate Veterans' Fund				

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
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Other Receipts (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions	Authority for Dedication	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount			
				Constitutional	Statutory	Statutory
						authorized by Act 108 of 1965; (b) To Board of Supervisors of LSU for (1) Retirement of bonds authorized by Act 12 of 1966 authorizing construction of medical school in Shreveport; (2) Retirement of bonds authorized by Act 437 of 1966 authorizing construction of dental school in New Orleans; (c) Any surplus to Bond Security and Redemption Fund After payment of certain bonds, surplus of Bond Security and Redemption Fund is transferred to State General Fund;
						3) 2.5 mills to Public School Fund for (a) public schools; (b) Isaac Delgado College, \$50,000 a year from taxes collected in New Orleans;
						4) 0.75 mills to Confederate Veterans' Fund for (a) Pensions for Confederate Veterans and their widows; (b) Redemption of institutional improvement bonds authorized by constitution, Art. XVIII, §8; (c) Surplus revenues dedicated to Dept. of Public Works for

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
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Other Receipts (cont'd)	Total 1971-1972	Distribution by Major Funds			Authority for Dedication	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount	Pertinent Provisions Constitutional Statutory		
Alcoholic Beverage Permits	\$ 778,319.14	\$ 778,319.14	-0-	RS 26:3; 26:71- 106; 26:271- 304	RS 26:72	Beverages of high alcoholic content: 1) \$350,000. a year withheld by Dept. of Revenue 13; 2) Balance to State General Fund.
						10 years beginning in fiscal 1961-62 for use in water conservation, recreation, development of water resources up to \$15 million total to Toledo Bend project; (d) Be- ginning in 1971-72, surplus transferable to State General Fund; 5) 0.50 mills to LSU for (a) Endowment and support of university up to \$1,000,000. a year; (b) Revenues above \$1,000,000. a year to State General Fund; 6) 25 mills on rolling stock of nonresidents to be paid to State General Fund; 7) Portion of collections withheld by sheriffs and tax assessors. However, no amount withheld from collections for Confederate Veterans' Fund.

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
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Other Receipts (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions Constitutional	Authority for Dedication Constitutional	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount			
Excise License						
Tax-Insurance	\$ 21,523,380.24	\$ 19,507,309.16	\$ 1,000,000.00	Art. XII, RS 22:2; §17 22:355; 22:1061-1075;	Art. XII, RS 22:2; §17 22:1074-1075; 22:1265	1)Maximum of \$90,000. a year to Commissioner of Insurance for cost of collection, enforcement, and office expenses; 2)Maximum of \$1,000,000 a year to LSU for maintenance, support, and improvement (portion used for bond redemption); 3) 1% of gross annual premiums of fire insurance to Fire Marshal Fund; 4)Balance to State General Fund.
Inheritance Tax	9,411,000.98	9,411,000.98	-0-	Art. X, RS 47:2401-2433; §7 47:2451	RS 47:2417-2419	1)Tax collectors, except in Orleans Parish, are to receive 2% commission on collections, to be used for salary and expense fund. In Orleans Parish tax collector is to receive 1% commission; 2)Attorneys representing officials in enforcing tax are to receive 4% on all taxes collected monthly up to \$150,000.00 and 2% on collections over \$150,000.00 Attorney in Orleans Parish is to employ appraiser to be paid out of his fees.

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
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Other Receipts (cont'd)	Total 1971-1972	Distribution by Major Funds		Name of Fund	Pertinent Provisions Consti- tutional Statutory	Authority for Dedication Consti- tutional Statutory	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount				
Interest on Invested Funds:	\$ 6,535,104.21	\$ 6,535,104.21	\$ -0-		Act 40 of 1969	State General Fund <sup>14</sup>	If no tax due, attorneys receive specified amounts payable from assets; 3) State General Fund.
Medicare Receipts:	27,620,881.80	-0-	27,620,881.80	Hospital Medicare Residue		Total collections to Hospital Medicare Resi- due Fund to be used for operation of all state hospitals participating in medicare program.	
Unencumbered Balances:	2,898,440.68	-0-	2,384,547.62	General Fund		Unencumbered balances revert to various funds from which appropria- tions were made.	
			255,002.04	Conservation Fund			
			94,112.40	Public Wel- fare Fund			
			1,331.06	Supervision & Inspec- tion Fees			
			149,173.12	Public School Fund			
			14,274.44	Severance Tax			

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Other Receipts (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions Constitutional	Statutory	Authority for Dedication Constitutional	Statutory	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount					
Agency Receipts Deposited with State Treasurer (see Attachment "A")	\$ 2,516,015.41	\$ 2,150,479.84	\$ 357,376.62	RS 39:1 et. seq.				
			1,785.00	Corporation Franchise Tax				
			2,418.95	Property Tax Relief				
			3,955.00	Supervision & Inspection Fees				
State Banking Department Fees:								
Banks	369,176.00	369,176.00	-0-		RS 6:1; 6:151 et. seq.			State General Fund.
Building & Loan Association	140,405.00	140,405.00	-0-		RS 6:231 et. seq.			State General Fund.
Small Loan & Credit Union	293,655.00	293,655.00	-0-		RS 6:721 et. seq.			State General Fund.
TOTAL: State Banking Department	\$ 803,236.00	\$ 803,236.00	\$ -0-		RS: 6:571 et. seq.			State General Fund.

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Other Receipts (cont'd)	Distribution by Major Funds		Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition
	Total 1971-1972	Bond Security and Redemption Fund	Other Funds Amount	Name of Fund	Constitutional	Statutory	
Secretary of State Fees:							
Incorporation Taxes	\$ 232,611.75	\$ 232,611.75	\$ -0-		RS 12:171	Act 632 of 1970	1)Withheld by Secty. of State for expenses of computerization of corporation records; 2)Balance to State General Fund
Fees, Various	309,348.85	309,348.85	-0-		RS 51:211; 39:516 et. seq. 35:328 et. seq. 49:22; 43:22; 18:281 et. seq. 49:225		State General Fund.
TOTAL: Secretary of State Fees	541,960.60	541,960.60	-0-				
Wildlife & Fisheries Commission Fees:							
Licenses, Fees, Severance Tax, etc.	937,918.16	-0-	937,918.16	Conservation Fund	RS 56:257; 56:432; 56:505; 9:1101; 56:1101; 56:631	RS 56:447; 56:458; 56:631	Conservation Fund to be used by Dept. of Wildlife & Fisheries for operating expenses.
Angling Licenses	285,661.63	-0-	285,661.63	Conservation Fund	RS 56:331; 56:332; 56:376	RS 56:336; 56:401	Conservation Fund to be used by Dept. of Wildlife & Fisheries for operating expenses.

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Other Receipts (cont'd)	Total 1971-1972	Distribution by Major Funds		Pertinent Provisions Constitutional Statutory	Authority for Dedication Constitutional Statutory	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount			
Wildlife & Fisheries Commission Fees:						
Trapping Licenses	4,908.17	-0-	4,908.17	Conservation Fund		Conservation Fund to be used by Dept. of Wild- life & Fisheries for operating expenses.
Hunting Licenses	837,869.05	-0-	837,869.05	Conservation Fund	RS 56:104	Conservation Fund to be used by Dept. of Wild- life & Fisheries for operating expenses.
Rentals	130,881.35	-0-	130,881.35	Conservation Fund	RS 56:435	Conservation Fund to be used by Dept. of Wild- life & Fisheries for operating expenses.
Motor Boat Regis- tration	193,062.00	-0-	193,062.00	Conservation Fund	RS 34:851.4 16	Conservation Fund to be used by Dept. of Wild- life & Fisheries for operating expenses.
TOTAL: Wildlife & Fisheries Comm.	2,390,300.36	-0-	2,390,300.36			
TOTAL: OTHER RECEIPTS	104,135,633.67	39,727,409.93	64,408,223.74			
TOTAL STATE TAXES, LICENSES, FEES, ETC. (Except Hwy. Dept.)	\$1,124,803,672.60	\$ 353,531,377.11	\$ 771,272,295.49			

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Total 1971-1972	Distribution by Major Funds		Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition
	Bond Security and Redemption Fund	Other Funds	Constitutional	Statutory	Constitutional	Statutory	
	Amount	Name of Fund	Constitutional	Statutory	Constitutional	Statutory	
			Art. VI, §22,23, 25;	RS 47:711-727;	Art. VI, §22 for 4 cents;	RS 47:727 (A) for 4 cents;	1) Maximum of \$362,000.00 a year to Dept. of Revenue for cost of collection;
			Art. VI-A;	47:711-788;	Art. VI-A for 1 cent;	RS 47:727 (B) for 2 cents;	2) Dealers may deduct 3% of 5¢ of gasoline tax for loss in handling;
			Art. XII, §14;	51:781-800;	Art. VI, §22(a) for 2 cents;	RS 47:711 (C) & Acts 9 & 10 of 1968 Extra.Sess.	3) 4¢ of tax to General Hwy. maintenance and payment of certain bonds;
			Art. XIV, §24.1	Acts 9 & 10 of 1968 Extra.Sess.	Art. VI-A for with-holds for collection	RS 47:726 for with-holds for collection	4) 1¢ to special bond fund of Dept. of Highways, with any surplus credited to General Highway Fund;
							5) 1¢ to Parish One-Cent Gasoline Fund to be apportioned to parishes and New Orleans on basis of their proportion of gasoline sold in state during preceding calendar year. Parishes shall use money allocated for construction and maintenance of roads and bridges; New Orleans shall use its share for streets and bridges;
							6) (a) 1/2 of 1¢ to be paid to General Highway Fund for maintenance and construction; (b) from proceeds of 9/20 of 1¢ gasoline tax, Board of Commissioners of Port of New Orleans to

Highway Fund:  
Gasoline Taxes:

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Total 1971-1972	Distribution by Major Funds		Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition
	Bond Security and Redemption Fund	Other Funds	Consti- tutional	Statutory	Consti- tutional	Statutory	
Highway Fund (cont'd)		Amount					
Gasoline Taxes (cont'd)							receive difference between total amount due for annual bond payments on bonds payable in 1952 and amount received by ports from its contract with New Orleans Levee Board and Public Belt Railroad. This dedication is to continue until port bonds outstanding in 1952 are retired. New Orleans port also is to receive \$500,000.00 a year even after bonds outstanding in 1952 fully are paid. Port Commission has pledged the \$500,000.00 a year to a 1955 bond issue. Balance of proceeds of 9/20 of 1¢ to be paid to General Highway Interest & Bond Redemption Fund for payment of principal and interest on bonds not to exceed \$30 million dollars; (c) 1/20 of 1¢ to be paid to Board of Commissioners, Lake Charles Harbor & Terminal District, for bond payment; excess may be used by port as current revenue; 7)Any surpluses from gasoline taxes (and other highway user taxes) are to be placed

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Total 1971-1972	Distribution by Major Funds		Pertinent Constitutional Statutory	Authority for Dedication Constitutional Statutory	Flow Chart of Disposition
	Bond Security and Redemption Fund	Other Funds Name of Fund			

Highway Fund  
(cont'd)

Gasoline Taxes  
(cont'd)

in Long Range Highway Fund for payment of certain bonds. Revenues of fund then are transferred to General Highway Fund and used for highway operations; 8) An additional 1¢ is to be paid to Bond Security & Redemption Fund for payment of current principal and interest on highway bonds. Any balance is to be transferred to General Highway Fund for road construction Act 9 of 1968 (Ex. Sess.) authorizes a \$300 million dollar highway bond issue payable from Bond Security & Redemption Fund<sup>16</sup>; Acts 9 & 10 of 1968 (Ex. Sess.) provide order of priority for expenditure (a 1¢ increase did not become effective until January 6, 1969).

Seven Cents (0.07¢)	\$ 109,203,667.76	\$	-0-	\$ 61,675,348.94	General Highway Fund
				312,000.00	General Fund- Rev. Dept.
				5,932,574.03	Highway Fund- Parishes

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

	Distribution by Major Funds		Name of Fund	Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition	
	Bond Security and Redemption Fund	Other Funds		Constitutional	Statutory	Constitutional	Statutory		
Total 1971-1972									
Highway Fund (cont'd)									
Gasoline Taxes									
Seven Cents (0.07¢)			\$ 23,608,159.40	Long Range Highway					
			772,307.51	Lake Charles Harbor & Terminal					
			9,952,510.10	Parishes, Boards, & Municipalities					
			6,950,767.78	Port of New Orleans					
One Cent (0.01¢)	\$ 15,947,321.25	\$ 15,897,321.25	50,000.00	General Fund-Dept. of Revenue					
Sub-Total: Gasoline Taxes	125,150,989.01	15,897,321.25	109,253,667.76						
Lubricating Oil Tax	3,058,706.81	-0-	3,008,706.81	Long Range Highway	Art. VI, \$23	RS 47:731-745; 47:771-788	Art. VI, \$23	RS 47:744-745	1)Maximum of \$150,000.00 a year to Dept. of Revenue for cost of collection; 2)Balance of collections to Long Range Highway Fund for construction and maintenance; 3)Any surplus to Long Range Highway Fund.
			50,000.00	General Fund-Dept. of Revenue					

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972

5-10-73

Total 1971-1972	Distribution by Major Funds		Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition	
	Bond Security and Redemption Fund	Other Funds	Constitutional	Statutory	Constitutional	Statutory		
Highway Fund (cont'd)	\$ 9,824,475.49	\$ 9,759,475.49	Long Range Highway	Art. VI, \$22(a); Art. VI, \$23	RS 47:783; 47:801-815	Art. VI, \$23	RS 47:808; 47:815	1) Suppliers may deduct 3% of taxes due as compensation for collection and allowance for evaporation; 2) Suppliers who operate motor vehicles propelled by special fuels are allowed deduction for fuel used in pumping operations, under certain circumstances, at rate of 1-1/2 gallons per 1,000 gallons of liquefied petroleum gas pumped; 3) \$65,000.00 a year withheld by Dept. of Revenue for cost of collection; 4) Balance of collections to Long Range Highway Fund.
Special Fuels Tax		65,000.00	General Fund	Art. VI, \$23				
Motor Vehicle Licenses	23,948,348.87	23,698,348.87	Highway Fund	Art. VI, \$22	RS 47:451-540; House Con. Res. No. 170 of 1960; HCR No. 84 of 1964 as amended by HCR No. 50 of 1968; HCR No. 155 of 1967	Art. VI, \$22(a) & (g); Art. VI, \$23	RS 47:480-481	1) Maximum of \$250,000.00 to Dept. of Revenue for cost of collection; 2) Balance of collections to General Highway Fund and Highway Fund No. 2. Revenues of Highway Fund No. 2 consist of vehicle license collections from 6 parishes surrounding Lake Pontchartrain (Orleans, Jefferson, St.

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Total 1971-1972	Distribution by Major Funds		Pertinent Provisions	Authority for Dedication	Flow Chart of Disposition
	Bond Security and Redemption Fund	Other Funds			
Highway Fund (cont'd)	Amount	Name of Fund	Consti- tutional	Statutory	Statutory

Motor Vehicle  
Licenses (cont'd)

John the Baptist, St. Charles, Tangipahoa, St. Tammany). Highway Fund No. 2 revenues are dedicated to payment of certain highway bonds. The surplus dedicated in order of priority as follows: (a) \$50,000.00 annually to St. Charles Parish and \$50,000.00 annually to St. John the Baptist Parish for construction and improvement of roads and drainage; (b) \$200,000.00 a year, through 6-30-82, to be paid for highway to connect Lake Pontchartrain with Downman Road (bonds up to \$4,000,000.00 authorized); (c) \$300,000.00 a year through 6-30-82, to Tangipahoa Parish for improvement of U.S. Highway 51 (bonds up to \$6 million authorized); (d) 1/2 of surplus Highway Fund No. 2, after above payments, dedicated for payment of bonds issued by Mississippi River Bridge Authority (payment of bonds authorized by executive agreement between Bridge Authority and

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

Highway Fund (cont'd)	Total 1971-1972	Distribution by Major Funds			Authority for Dedication	Flow Chart of Disposition
		Bond Security and Redemption Fund	Other Funds Amount	Pertinent Provisions Consti- tutional Statutory		

Motor Vehicle  
Licenses (cont'd)

Highway Department in 1964). Dedication to continue until bonds paid in full; there- after \$100,000.00 annually dedicated to Tangipahoa Parish Police Jury for parish purposes and \$150,000.00 annually dedi- cated to St. Charles-St. John the Baptist Bridge and Ferry Authority to finance bridge and ferry construction. Re- mainder of 1/2 surplus portion then dedicated to Mississippi River Bridge Authority to pay for principal and interest of any other bonds issued by the authority; (e) Remaining half of surplus to be placed in special reserve fund to supplement revenues of toll bridge across Lake Pont- chartrain (The Greater New Orleans Expressway) until revenue bonds issued for project are paid in full. After full payment of bonds, surplus to go to General Highway Fund;

3) Surplus from motor vehicle licenses to go to Long Range Highway Fund.

TOTAL: Highway Fund \$161,982,520.18 \$ 15,897,321.25 \$146,085,198.93

Sources of Revenue Receipts Distributed by Major Funds; 1971 - 1972

5-10-73

	Distribution by Major Funds		Bond Security and Redemption Fund	Pertinent Provisions		Authority for Dedication		Flow Chart of Disposition
	Total 1971-1972	Other Funds		Constitutional	Statutory	Constitutional	Statutory	
Receipts Retained by Agencies as Means of Financing:								
Various Agencies (see Attachment "B")	\$69,504,293.20	\$	-0-	\$ 31,600,096.84	General Fund			Used by various agencies for operating expenses.
Highway Dept.	7,346,462.10		-0-	37,904,196.36	Other Funds			
				7,346,462.10	Highway Fund			
TOTAL: Receipts Retained	76,850,755.30		-0-	76,850,755.30				
Federal Funds: Various Agencies (see Attachment "C")	362,893,690.31		-0-	362,893,690.31				
Highway Dept.	112,580,843.63		-0-	112,580,843.63	Highway Fund			Used for projects contracted with federal government.
TOTAL: Federal Funds, Budgeted	475,474,533.94		-0-	475,474,533.94				
SALE OF BONDS - BUDGETED	76,745,000.00		-0-	76,745,000.00	Highway Fund			
TOTAL STATE TAXES, LICENSES, FEES, ETC., Budgeted	\$1,915,856,482.02			\$369,428,698.36	\$1,546,427,783.66			

Sources of Revenue Receipts Distributed by Major Funds: 1971 - 1972  
5-10-73

	Distribution by Major Funds		Pertinent Provisions	Authority for Dedication		Flow Chart of Disposition
	Bond Security and Redemption Fund	Other Funds		Constitutional	Statutory	
Total 1971-1972						
Non-Budget Revenue Receipts:						
Agency Receipts, Non-Budgeted (see Attachment "D")	57,972,023.92	-0-	57,972,023.92			Agencies collecting use for various agency purposes
Federal Grants, Non-Budgeted (see Attachment "E")	21,143,990.01	-0-	21,143,990.01			Used for projects contracted by federal government.
TOTAL: Non-Budget Revenue Receipts	79,116,013.93	-0-	79,116,013.93			
SUB-TOTAL: STATE TAXES, LICENSES, FEES, ETC., BUDGETED AND NON-BUDGETED	1,994,972,495.95	369,428,698.36	1,625,543,797.59			
Sale of Bonds- Non Budget	24,768,000.00	-0-	24,768,000.00			Bonds authorized and issued through State Bond Commission for specific projects.
Transfer of Reserves	1,371,350.01	-0-	1,371,350.01			Simply accounting trans action
GRAND TOTAL-REVENUE RECEIPTS	\$2,021,111,845.96	\$369,428,698.36	\$1,651,683,147.60			

- 0 Property Tax Relief Fund was declared unconstitutional in Levy v. Parker, U.S. District Court, Eastern District of Louisiana, No. 70-243; also repealed by La. Const. of 1921, Art. X-A.
- 1 See footnote 0. Since abolishment of Property Tax Relief Fund, proceeds from alcoholic beverage tax remaining after dedication number 3, supra, flow directly into Bond Security & Redemption Fund.
- 2 Veterans' bonuses have been paid, and no bonds are outstanding. Veterans Bonus Tax Account is defunct. Proceeds from beer tax and permit fees now flow into Bond Security & Redemption Fund after withholdings for expenses of collections.
- 3 R.S. 47:07, amended 1972, in effect abolished Industrial Development Fund except for municipalities; corporations cannot receive tax credit warrants after July 26, 1972, 12:00 noon.
- 4 Since 1972, employers no longer are entitled to withhold 3% as compensation. By Act 124 of 1969 there is \$1,000,000 dedication to Bond Security & Redemption Fund to support bond servicing of Act 15 of 1969.
- 5 Since abolishment of Property Tax Relief Fund, proceeds flow directly into Bond Security & Redemption Fund.
- 6 See footnote 0.
- 7 Vendors now allowed only 1-1/2% of tax collected.
- 8 As of May 5, 1973, these bonds have not been issued and possibly may not be issued.
- 9 Severance taxes collected by Department of Wildlife & Fisheries not included in this listing. See Wildlife & Fisheries Commission, severance taxes, infra.
- 10 9% reduced in 1972.
- 11 See footnote 12, infra.
- 12 State property taxation abolished by La. Const. of 1921, Art. X-A. Revenue sharing under La. Const. of 1921, Art. X, §10B has replaced Property Tax Relief Fund.
- 13 As of July 1, 1972, withholdings for expenses go to Alcoholic Beverage Control Board of Department of Public Safety.
- 14 As of January 1, 1974, Department of Revenue will begin collection of inheritance taxes.
- 15 As of 1972, dealers may deduct only 3% of 1¢ of gasoline tax for loss in handling, and bonded jobbers may deduct 3% of 4¢.
- 16 Only \$216,500.00 of authorized \$300,000.00 bonds has been issued as of May 4, 1973.



E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

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CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
June 16, 1973  
Staff Memorandum No. 14

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RE: Status Report of Subcommittee on Revenues Other Than  
Property Taxes

The Subcommittee on Revenues Other Than Property Taxes  
submits for consideration to the Committee on Revenue, Finance  
and Taxation (see attachments) the following report:

As of June 16, 1973, the Subcommittee on Revenues Other  
Than Property Taxes has submitted a tax structure proposal  
to the full committee of which the first three sections have  
been adopted (see attachments). The adopted sections covered  
power to tax (Article X, §1, ¶1), two-thirds rule (Article  
III, §25.1; Article X, §1(a)), and collection and refund  
of taxes (Art. X, §18). Sections 4, 5, 6, and 7 of the  
proposal are submitted to the full committee for consideration  
(see attached CC-235).

The Subcommittee on Revenues Other Than Property Taxes  
has recommended that the following articles and sections be  
referred to the Committee on Liaison and Transitional Matters  
to become statutory law (see attachment): VI, §§2, 22, 23,  
25, 26; VI-A; X, §§7, 8, 9, 17, 21 ¶1 except for last  
sentence, and 24. As of June 16, 1973, the full committee has  
concurred on Article X, §§7, 8, 9, 17, and 24 (see attachment).

The Subcommittee on Revenues Other Than Property Taxes  
has decided to delete from the constitution the following:  
Article X, §1 ¶¶4 and 5. Article X, §1.1 will become obsolete  
in the very near future (see attachment).

This report is intended to reflect the present status  
of the position of the Subcommittee on Revenues Other Than  
Property Taxes. The articles and sections which have not  
been acted upon need to be studied by each committee member  
for the next meeting (see attachment, column headed  
decisions of committee).

+ Considered by other committees. Subcommittee on Revenues, Other than Promerity Taxes  
of the Committee on Revenue, Finance and Administration  
Preliminary Report  
June 22, 1973

1921 Constitution		Decision of Committee		Proposal Drafted			Proposal Adopted by Subcommittee (Date)		Proposal Accepted or Action Taken By Full Committee-- (Date)	
Article	Section Para.	on 1921 Constitution	Article	Section	Para.					
III	25.1	Draft Proposal	-----	2	-----	June 8	June 14			
IV	2	Draft Proposal	-----	4	-----	Referred to Committee as a whole				
IV	2(c)	statutes								
IV	2(d)	statutes								
IV	4	Referred to Committee on Legislative Powers and Functions								
IV	13	Included in Report of Subcommittee on Public Finance								
IV	18	Included in Report of Subcommittee on Public Finance								
VI	2	Draft Proposal	-----	7	-----	May 10				
VI	2	statutes								
VI	20	statutes								
VI	22	Draft proposal--remainder of section in statutes		6		Referred to committee as a whole				
VI	23	1 relevant to committee-- statutes								
VI	25	statutes								
VI	26	statutes								
VI-A	1-14	statutes								
X	1	Draft proposal	-----	1	-----	June 8	June 14			
X	1	Draft proposal	-----	5	a	June 22				

1921 Constitution		Decision of Committee		Proposal Drafted		Proposal Adopted by Subcommittee		Proposal Adopted by Action Taken By Full Committee--(Date)	
Article	Section	Para.	on 1921 Constitution	Article	Section	Para.	(Date)		
X	1	4	Delete						
X	1	5	Delete						
X	1	6	Statutes						
X	1	1(a)	Draft proposal		2		June 8	June 14	
X	1.1		Obsolete						
X	5+		Deferred until report from Committee on Local & Parochial						
X	5.1		Delete						
X	6+		Deferred until report from Committee on Local & Parochial						
X	7		statutes					Statutes (June 16)	
X	8		Draft proposal		5	c	June 22		
X	9		statutes					Statutes (June 16)	
X	11+		Deferred until Report from Committee on Local and Parochial						
X	14+		Deferred until Report from Committee on Local and Parochial						
X	17		statutes					Statutes (June 16)	
X	18		Draft proposal		3		June 8	June 14	
X	21	1	Statutes (except last sentence --draft proposal)		5	c	June 22		
X	21	2	Proposal on first part of first sentence		5	b	June 22		

1921 Constitution		Decision of Committee		Proposal Drafted		Proposal Adopted by		Proposed Adoption by	
Article	Section Para.	on 1921 Constitution	Article Section	Para.	Subcommittee (Date)	Subcommittee (Date)	Action Taken By	Committee-- (Date)	
X	21	2	4			Referred to committee as a whole			
X	24	Proposal on dedication statutes							
XII	15+	Deferred until report from Committee on Education & Welfare							
XII	16+	Deferred until report from Committee on Education & Welfare							
XIV	7+	Deferred until Report from Committee on Local & Parochial							
XV	8+	Deferred until Report from Committee on Local & Parochial							
XIV	14 (6, 2) +	Deferred until Report from Committee on Local & Parochial							
XIV	14 (m, 1) +	Deferred until Report from Committee on Local & Parochial							
XIV	14 (p) +	Deferred until Report from Committee on Local & Parochial							
XIV	21	Delete							
XIV	24.1	proposal	5	c		June 22			
XIV	24.6	statutes							
XIV	24.17	statutes							
XIX	8	No action taken							

NOTES

CC-235 is omitted from Memo No. 14 and may be found in the Subcommittee Minutes, above.

Finance and Taxation a proposal for limitation on incurrence of state debt and for the collection, expenditure, and management of state funds (see attached CC-234). Proposal "CC-234" was distributed to the Committee on Revenue, Finance and Taxation at its June 16 meeting, and the Subcommittee on Public Finance desires action by the Committee on Revenue, Finance and Taxation during its series of meetings beginning on Friday, June 22, 1973.

Proposal "CC-234" covers the subject matter assigned to the Subcommittee on Public Finance which the subcommittee recommends to be included in the new constitution. Also attached is a preliminary report of the Subcommittee on Public Finance which indicates disposition of the various sections of Louisiana Constitution of 1921 which have been assigned to this subcommittee.

Members of the Committee on Revenue, Finance and Taxation are urged to study carefully proposal "CC-234" and the various constitutional sections assigned to this subcommittee as listed in the attached preliminary report, especially those sections covered by proposal "CC-234." An adequate knowledge of this material should expedite action by the Committee on Revenue, Finance and Taxation at its next meeting series.

CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
June 16, 1973  
Staff Memorandum No. 15

RE: Status Report of Subcommittee on Public Finance

The Subcommittee on Public Finance submits for consideration to the Committee on Revenue, Finance and Taxation the following report:

As of June 16, 1973, the Subcommittee on Public Finance has prepared for submission to the Committee on Revenue,





1921 CONSTITUTION: DISPOSITION OF ARTICLES AND SECTIONS ASSIGNED TO  
SUBCOMMITTEE ON PUBLIC FINANCE OF THE COMMITTEE ON REVENUE, FINANCE AND TAXATION  
PRELIMINARY REPORT

rt.	Section	Paragraph	Article	Section	Final Proposal Adopted (Date)	Obsolete	(Unconstitutional, Repealed etc) Deleted	Statutory			Statute Required		
								Sufficient AS IS	Existing Law Amendment Needed	Amendment Prepared	Draft Needed	Draft Prepared	
	+ To coordinate with other substantive committee(s) prior to action												
	*Refer to Committee on Revenue, Finance and Taxation 1974 Constitution (Proposed)												
	Removed from 1921 Constitution												
IV	11			7									
IV	12	1, 2, 3, (c)		11		X							
IV	12	4, 5, 6				X							
IV	12 (a)												
IV	13			12									
IV	17			2									
IV	18			13									
VI	16	+											
VI	16.5	+											
VI	16.6	+					X						
VI	19.4						X						
VI	21												
VI	22	(a), 1, 2*											X
VI	22	(d) (f) (h) (j)				X							

Note: Until further study, only "draft needed" is marked.

1921 CONSTITUTION: DISPOSITION OF ARTICLES AND SECTIONS ASSIGNED TO  
SUBCOMMITTEE ON PUBLIC FINANCE OF THE COMMITTEE ON REVENUE, FINANCE AND TAXATION

PRELIMINARY REPORT

Art.	Section	Paragraph	Article	Section	Final Proposal Adopted (Date)	Obsolete	(Unconstitutional, Repealed etc) Deleted	Statutory			Statute Required			
								Sufficient As Is	Existing Law Amendment Needed	Amendment Prepared	Draft Needed	Draft Prepared	Draft Prepared	
+ To coordinate with other substantive committee(H) prior to action														
* Refer to Committee on Revenue, Finance and Taxation														
1921 Constitution														
Removed from 1921 Constitution														
1974 Constitution (Proposed)														
VI	22	(k)												
VI	22	other sections												
VI	23													
VI	23.1													
VI	24													
VI	24.1													
VI	25.1													
VI	26	(2)												
VI-A	1													
VI-A	2													
VI-A	3													
VI-A	4													
VI-A	5													
Note: "draft needed" is marked.														



Art.	Section	Paragraph	Article	Section	Final Proposal Adopted (Date)	Obsolete	(Unconstitution- al, Repealed etc) Deleted	Statutory			Statute Required							
								Sufficient As Is	Existing Law Amendment Needed	Amendment Prepared	Draft Needed	Draft Prepared						
+ To coordinate with other substantive committee(s) prior to action.								Removed from 1921 Constitution										
* Refer to Committee on Revenue, Finance and Taxation								1921 Constitution										
X-A	4						Dedications											X
XII	8						Dedications											X
XII	9						Dedications											X
XII	13																	X
XII	14																	X
XII	15																	X
XII	16																	X
XII	17																	X
XII	18																	X
XII	19																	X
XII	20																	X
XII	21																	X
XII	22																	X
XIV	13																	X

Note: Until further study, only "draft needed" is marked







1921 CONSTITUTION: DISPOSITION OF ARTICLES AND SECTIONS ASSIGNED TO  
SUBCOMMITTEE ON PUBLIC FINANCE OF THE COMMITTEE ON REVENUE, FINANCE AND TAXATION  
PRELIMINARY REPORT

+ To coordinate with other substantive committee(s) prior to action

\* Refer to Committee on Revenue, Finance and Taxation

Removed from 1921 Constitution

1921 Constitution  
1974 Constitution  
(Proposed)

Art.	Section	Paragraph	Article	Section	Final Proposal Adopted (Date)	Obsolete	(Unconstitutional, Repealed etc) Deleted	Statutory			Statute Required		
								Sufficient As Is	Existing Law Amendment Needed	Amendment Prepared	Draft Needed	Draft Prepared	
XIV	24.14	+										X	
XIV	24.15	+										X	
XIV	24.16	+										X	
XIV	24.17	+										X	
XIV	24.18	+										X	
XIV	24.19	+										X	
XIV	24.20	+										X	
XIV	24.21	+										X	
XIV	24.22	+										X	
XIV	26	+										X	
XIV	27	+										X	
XIV	28	+										X	
XVI	2											X	
XVI	3						X					X	

Note: Until further study, only "draft needed" is marked



NOTES

CC-234 is omitted from Memo No. 15 and may be found in the Subcommittee Minutes, above.

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CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
June 16, 1973  
Staff Memorandum No. 16

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RE: Status Report of Committee on Revenue, Finance and Taxation

As of June 16, 1973, the Committee on Revenue, Finance and Taxation has taken action on the various sections of

Louisiana Constitution of 1921 assigned for its consideration as shown in the attached preliminary report.

All members of the Committee on Revenue, Finance and Taxation are urged carefully to study the various constitutional sections as listed in the attached preliminary report, especially those sections marked with a plus (+), which indicates coordination with other substantive committee(s) is necessary prior to action by Committee on Revenue, Finance and Taxation and those sections marked with a number sign (#), which indicates action by the Committee on Revenue, Finance and Taxation is needed.

Adequate knowledge of this material hopefully will expedite action by the committee so that the deadline for first proposals to the convention will be met.



1921 CONSTITUTION: DISPOSITION OF ARTICLES AND SECTIONS ASSIGNED TO  
 THE COMMITTEE ON REVENUE, FINANCE AND TAXATION  
 PRELIMINARY REPORT: JUNE 16, 1973

Art.	1921 Constitution		1974 Constitution (Proposed)		Final Proposal Adopted (Date)	Obsolete	(Unconstitution- al, Repealed etc) Deleted	Statutory			
	Section	Paragraph	Article	Section				Sufficient As Is	Existing Law Amendment Needed	Amendment Prepared	Draft Needed
	Removed from 1921 Constitution										
	+ - to coordinate with other substantive committee(s) prior to action # - action needed by Committee on Revenue, Finance and Taxation										
X	10	+									
X	10A	+									
X	11	#									
X	12										
X	13	+					Repealed				
X	14	+									
X	15										
X	16										
X	17										
X	19										
X	20	#									X
X	21	#									X
X	22										
X	23										
X	24										X

Note: Until further study, only "draft needed" is marked.

1971 CONSTITUTION: DISPOSITION OF ARTICLES AND SECTIONS ASSIGNED TO  
 THE COMMITTEE ON REVENUE, FINANCE AND TAXATION  
 PRELIMINARY REPORT: JUNE 16, 1973

+ - to coordinate with other substantive committee(s) prior to action  
 # - action needed by Committee on Revenue, Finance and Taxation

rt.	1921 Constitution		1974 Constitution (Proposed)		Final Proposal Adopted (Date)	Obsolete	(Unconstitution- al, Repealed etc) Deleted	Statutory			Statute Required	
	Section	Paragraph	Article	Section				Sufficient As Is	Existing Law Amendment Needed	Amendment Prepared	Draft Needed	Draft Prepared
X-A	1-5	#										
XI	1-5	#										
XII	14-17	#										
XIV	9	#										
XIV	10-12	+										
XIV	14, 19	+										
XIV	20	#										
XIV	23.2	+										
XIV	(24.3)	+										
XIV	24.5	+										
XIV	25	#										
XVI	2	#										
XVIII	7	#										

Removed from 1921 Constitution

CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
June 21, 1973  
Staff Memorandum No. 17

RE: This report gives an explanation of Art. 10, §20 of the Louisiana Constitution (1921) concerning tax forfeitures prior to 1880 and their annulment; and its applicability to the present.

Art. 10, §20 Tax forfeitures prior to 1880; annulment.

1. Tax debtor forfeits immovable property to state for nonpayment of taxes due prior to January 1, 1880.
2. State doesn't sell or dispose of same nor has it dispossessed the tax debtor, or his heirs, successors, or assigns prior to adoption of this constitution. (1921).
3. Forfeiture presumed irregular and null; or that property has been redeemed.
4. By virtue of (3), state and its assigns subsequent hereto shall forever be estopped from setting up any title to such property.
5. Provided, for three years from adoption of constitution (until 1924) the state shall have the right to enforce the payment of any unpaid taxes for the nonpayment of which the property was forfeited to the state.

If the state doesn't sell or dispose of immovable property received by tax debtor as a result of nonpayment of prior--1880 taxes, the forfeiture by the tax debtor, his heirs, successors, or assigns is considered null. The state has until 1924 (three years after adoption of the 1921 Constitution) to enforce the payment of any unpaid taxes for the nonpayment of which the property was forfeited to the state.

One of the main purposes of the constitutional provision, Article X, §20 is the retention by the tax debtor, his heirs, successors, or assigns of their title to immovable property forfeited to the state for nonpayment of prior--1880 taxes, but annulled due to the inaction of the state.

The provision further provides for a three-year prescription period, from the date of the adoption of the constitution (1921), in which the state has to collect the prior--1880 taxes due it.

This provision is currently needed whether in the constitution or revised statutes to insure title to the present heirs, successors, or assigns of the tax debtor, obtained by wills, successions, or assignments currently executed, against any immovable property or taxes claimed by the state because of the nonpayment of prior--1880 taxes by the original tax debtor.

This is an important provision, but it could be included in the revised statutes and not the constitution itself.

2

CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
June 26, 1973  
Staff Memorandum No. 17

Louisiana Constitution (1921) concerning tax forfeitures prior to 1880 and their annulment; and its applicability to the present.

Art. X, §20 Tax forfeitures prior to 1880; annulment.

1. Tax debtor forfeits immovable property to state for nonpayment of taxes due prior to January 1, 1880.
2. A showing that the state doesn't sell or dispose of same nor has it dispossessed the tax debtor, or his heirs, successors, or assigns prior to adoption of this constitution. (1921)
3. Forfeiture presumed irregular and null; or that property has been redeemed.
4. By virtue of (3), state and its assigns subsequent hereto shall forever be estopped from setting up any title to such property.
5. Provided, for three years from adoption of constitution (until 1924) the state shall have the right to enforce the payment of any unpaid taxes for the nonpayment of which the property was forfeited to the state.

Prior to the adoption of the 1921 Constitution, if the state doesn't sell or dispose of immovable property forfeited or adjudicated to it by tax debtor as a result of nonpayment of prior--1880 taxes, the forfeiture by the tax debtor, his heirs, successors, or assigns is considered null. However, according to the U. S. Court of Appeals decision of Pittman

v. Gulf Refining Co. of La., 141 F. 2d 478 (1944) plaintiffs could not invoke presumption that forfeiture of property for nonpayment of taxes prior to 1880 was irregular and null or that property had been redeemed, in absence of showing that the state had not sold or disposed of land or dispossessed tax debtor, his heirs, successors, or assigns prior to adoption of such constitutional provision. The state has until 1924 (three years after adoption of the 1921 Constitution) to enforce the payment of any unpaid taxes for the nonpayment of which the property was forfeited to the state.

One of the main purposes of the constitutional provision, Article X, §20 is the retention by the tax debtor, his heirs, successors, or assigns of their title to immovable property forfeited to the state for nonpayment of prior--1880 taxes, but annulled due to the inaction of the state.

The provision further provides for a three-year prescription period, from the date of the adoption of the constitution (1921), in which the state has to collect the prior--1880 taxes due it.

This provision is currently needed whether in the constitution or revised statutes to insure title to the present heirs, successors, or assigns of the tax debtor, obtained by wills, successions, or assignments currently executed, against any immovable property or taxes claimed by the state because of the nonpayment of prior--1880 taxes by the original tax debtor.

This is an important provision, but it could be included in the revised statutes and not the constitution itself.

RE: This report gives an explanation of Art. X, §20 of the

(2)

CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
June 27, 1973  
Staff Memorandum No. 18

In examining the Louisiana state taxing power on imports [La. Const. Art. X, §4, Paragraph 19(a)(b)(c)], the leading U. S. Supreme Court case is Brown v. Maryland [12 Wheat. 419 (1827)]. The issue in this case was the validity of a Maryland statute requiring "all importers of foreign articles or commodities," preparatory to selling the same, to take out a license. Holding this act to be void under both U. S. Constitution Article I, Section 10, and the commerce clause, the court stated,

... (4) that the taxing power of the state does not extend in any form to imports from abroad so long as they remain "the property of the importer, in his warehouse, in the original form or package in which they were imported - the famous original package doctrine"; (5) that once, however, the importer parts with his importations or otherwise mixes them with the general property of the state by breaking up his packages, the law may treat them as part and parcel of such property.

According to Henry Hubbard Foster, professor of law in the State University of Oklahoma, in his Tulane University Law Review article entitled "What Is Left of the Original Package Doctrine" 1 So. L.Q. 303 (Oct., 1916), "incorporating and mixing up with the mass of property can not be taken literally." Dr. Foster continues that "a sale, which produces no physical change, is sufficient to cause a mixture."

As Chief Justice Marshall stated in Brown v. Maryland, "the object of importation is sale; it constitutes the motive for paying duties."

In this light, one can see that the phrase in the Louisiana Constitution Article X, Section 19(a) ¶2, exempting all or a part of the new material inventory of manufacturers or processors does not refer to a taxable mixture as held by the U. S. Supreme Court. If this "part of" the new material inventory were sold, it would then be taxable; but until then, while remaining at the dock, it is exempt.

In May v. New Orleans, 178 U.S. 496, 502, the U. S. Supreme Court held that a box, case, or bale in which separate parcels of goods have been placed by the foreign seller is regarded as the original package, and upon the opening of such container for the purpose of using the separate parcels, or of exposing them for sale, each parcel loses its character as an import and becomes subject to taxation as a part of the general mass of property in the state. Thus, these U. S. Supreme Court cases control Article X, Section 4, Paragraph 19(a)(2)(3), of the Louisiana Constitution exempting tax payments by importers on unopened, original packaged goods.

The Louisiana Constitution Art. X, §4 ¶19(b)(c), dealing with goods in transit is controlled by the U. S. Supreme Court decision of Reading Railroad v. Pennsylvania (the State Freight Tax Case), 15 Wall. 232 (1873). From this case follows that states may not tax property in transit in interstate commerce.

A nondiscriminatory tax, however, is permitted if the goods have not yet started in interstate commerce, or have completed the interstate transit even though still in the original package, unless they are foreign imports in the original package; and states may also impose a nondiscriminatory tax when there is a break in an interstate transit, and the goods have not been re-stored to the current of interstate commerce.

Concerning tax exemption on imports remaining upon the public property of the port authority or docks of any common carrier where such imports first entered this state [La. Const. Art. X, §4, ¶19(a)], the phrase in the Brown case above "in his warehouse" is used conjunctively with the phrase, "in the original package." No subsequent case gives any intimation that anything depends on either the storage in or the ownership of a warehouse [State v. Board of Assessors, 15 So. 10 (1894)]. As a matter of fact, the U. S. Supreme Court decision of Youngstown Co. v. Powers, 358 U.S. 534, 538 (1959) controls holding that the main test for tax exemption is that the goods have not been put to the use for which they were imported. Thus, goods that are merely being stored at the docks, in their original package and for other than present use, are tax exempt.

The clauses in the Louisiana Constitution providing that "such property whether entitled to exemption or not shall be reported to the proper taxing authority on the forms required by law" is substantive law and, along with any other tax exemptions that the legislature may deem desirable (for example, tax exemption being given not only for original packages, but also for packages mixed

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with other property); may be passed by the legislature at any time.

As can be seen, Art. X, §4 ¶19, of the Louisiana Constitution is on all fours with decisions of the U. S. Supreme Court, and is therefore unnecessarily contained in our constitution and should be eliminated.

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CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
July 11, 1973  
Staff Memo No. 19

RE: Population and Mean Income by Parish

The attached appendix gives the population and mean income by parish for the State of Louisiana. The population figures were for 1972; whereas, the latest figures for mean income were 1970.

Orleans Parish had the largest population with 606,900 people followed by Jefferson (345,205), East Baton Rouge (301,730), Caddo (235,393), and Calcasieu (148,704). The least populated parishes were Cameron (8,379), Red River (9,435), Caldwell (9,566), Tensas (9,951), and St. Helena (10,162).

Jefferson Parish had the highest mean income with \$11,377 per family or unrelated individuals followed by East Baton Rouge (\$10,842), St. Bernard (\$10,319), St. Tammany (\$9,950), and Lafayette (\$9,599). The parishes with the lowest mean income were Tensas (\$4,785), St. Helena (\$5,434), East Carroll (\$5,570), Avoyelles (\$5,594), and Franklin (\$5,610).

APPENDIX  
STATE POPULATION AND MEAN INCOME BY PARISH

Parish	(1972) Population <sup>1</sup>	(1970) Mean Income <sup>2</sup>
Acadia	53,287	\$ 6,897
Allen	21,265	6,945
Ascension	37,925	8,470
Assumption	20,099	6,920
Avoyelles	38,605	5,594
Beauregard	23,405	8,165
Bienville	16,386	6,103
Bossier	65,979	8,555
Caddo	235,393	9,358
Calcasieu	148,704	9,253
Caldwell	9,566	6,428
Cameron	8,379	8,168
Catahoula	12,035	6,029
Claiborne	17,410	6,588
Concordia	23,089	7,637
DeSoto	23,279	6,536
East Baton Rouge	301,730	10,842
East Carroll	13,074	5,570
East Feliciana	18,057	6,911
Evangeline	32,654	5,682
Franklin	24,487	5,610
Grant	13,981	6,185
Iberia	58,696	7,985

St. James	20,179	8,260
St. John the Baptist	24,352	8,332
St. Landry	82,182	6,201
St. Martin	33,187	6,204

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Parish	Population <sup>1</sup>	Mean Income <sup>2</sup>
St. Mary	62,126	\$ 8,811
St. Tammany	65,023	9,950
Tangipahoa	67,365	6,688
Tensas	9,951	4,785
Terrebonne	77,769	9,081
Union	18,863	6,740
Vermilion	44,044	7,319
Vernon	55,010	7,140
Washington	42,936	7,296
Webster	40,842	7,698
West Baton Rouge	17,244	8,020
West Carroll	13,322	6,040
West Feliciana	11,632	7,941
Winn	16,739	7,214

<sup>1</sup>The estimates for the 1972 Louisiana parish population are calculated using an annual rate of growth of 1.125 percent multiplied by the 1970 census data. U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 436.

<sup>2</sup>U.S., Bureau of the Census, General Social and Economic Characteristics, Louisiana, 1970, (Washington, D.C.: U.S. Government Printing Office, 1970), p. 343-348.

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Parish	Population <sup>1</sup>	Mean Income <sup>2</sup>
Iberville	31,442	\$ 7,567
Jackson	16,325	7,925
Jefferson	345,205	11,377
Jefferson Davis	30,222	7,191
Lafayette	112,198	9,599
Lafourche	70,501	8,728
LaSalle	13,596	6,675
Lincoln	34,538	8,204
Livingston	37,337	8,033
Madison	15,405	6,118
Morehouse	33,197	6,819
Natchitoches	36,016	6,634
Orleans	606,900	9,536
Ouachita	117,998	8,663
Plaquemines	25,796	9,023
Pointe Coupee	22,500	6,294
Rapides	120,751	8,166
Red River	9,435	5,889
Richland	22,267	6,195
Sabine	19,060	6,065
St. Bernard	52,343	10,319
St. Charles	30,218	9,469
St. Helena	10,162	5,434

CC/73 Research Staff

Committee on Revenue,  
Finance and Taxation

July 12, 1973

Staff Memo No. 20

RE: Distribution of House Values in Louisiana by Parish

The attached appendix shows the distribution of house values in Louisiana by parishes which was based on a random sample by the Bureau of the Census conducted in 1970. The appendix shows total number of houses in the random sample by parish and state; the percentage of houses valued at less than \$5,000; the percentage of houses valued between \$5,000 and \$14,999; the percentage of houses valued between \$15,000 and \$24,999; the percentage of houses valued between \$25,000 and \$34,999; and the percentage of houses valued at greater than \$35,000.

The information in the appendix gives a basis from which the committee may make a decision concerning the homestead exemption. Only four parishes have ten percent or more of their houses valued at greater than \$35,000 (East Baton Rouge-10%; Jefferson-11%; Lafayette-11%; Orleans-18%). The state average indicated that 82.4 percent of the houses are valued at less than \$24,999.

The impact of a homestead exemption on each parish can be evaluated by comparing the value of the homestead exemption with the percentage distribution of house values.

Appendix  
Distribution of House Values in Louisiana by Parish  
(1970)

Parish	Total No. of Houses	Less than \$5,000	\$5,000 to \$14,999	\$15,000 to \$24,999	\$25,000 to \$34,999	Greater than \$35,000
Acadia	8,339	22%	52%	17%	5%	4%
Allen	3,257	28%	56%	13%	2%	1%
Ascension	5,197	10%	45%	32%	8%	5%
Assumption	2,695	21%	56%	17%	4%	2%
Avoyelles	5,628	29%	53%	13%	3%	2%
Beauregard	3,130	22%	51%	19%	5%	3%
Bienville	2,363	27%	56%	14%	3%	
Bossier	9,357	8%	48%	34%	8%	2%
Caddo	43,639	6%	52%	28%	8%	6%
Calcasieu	26,708	8%	51%	28%	8%	5%
Caldwell	1,358	35%	50%	11%	1%	3%
Cameron	1,039	26%	52%	16%	4%	2%
Catahoula	1,486	29%	53%	13%	2%	3%
Claiborne	2,420	26%	55%	13%	5%	1%
Concordia	4,375	14%	41%	39%	5%	1%
DeSoto	3,406	32%	51%	13%	3%	1%
East Baton Rouge	49,720	2%	34%	39%	15%	10%
East Carroll	1,390	22%	53%	16%	2%	7%
East Feliciana	1,474	17%	53%	21%	6%	3%
Evangeline	4,743	34%	50%	12%	2%	2%
Franklin	2,525	20%	57%	16%	4%	3%
Grant	2,066	30%	57%	10%	2%	1%
Iberia	8,843	9%	55%	25%	7%	4%

St. Helena	690	28%	56%	11%	3%	2%
St. James	2,804	14%	46%	30%	7%	3%
St. John the Baptist	3,725	9%	51%	33%	5%	2%

-2-

Parish	Total No. of Houses	Less than \$5,000	\$5,000 to \$14,999	\$15,000 to \$24,999	\$25,000 to \$34,999	Greater than \$35,000
St. Landry	10,790	24%	50%	17%	5%	4%
St. Martin	5,050	25%	52%	17%	3%	3%
St. Mary	7,742	9%	42%	32%	11%	6%
St. Tammany	10,517	8%	39%	32%	12%	9%
Tangipahoa	8,297	15%	52%	23%	7%	3%
Tensas	1,104	24%	54%	13%	4%	5%
Terrebonne	11,350	8%	40%	37%	10%	5%
Union	2,756	26%	52%	17%	4%	1%
Vermilion	6,845	18%	54%	20%	5%	3%
Vernon	3,260	26%	50%	19%	3%	2%
Washington	6,540	16%	55%	21%	5%	3%
Webster	7,456	15%	57%	21%	4%	3%
West Baton Rouge	2,421	8%	53%	29%	7%	3%
West Carroll	1,297	24%	54%	18%	3%	1%
West Feliciana	475	15%	38%	37%	7%	3%
Winn	2,654	31%	56%	9%	2%	2%
State Average	553,823	10.0	41.0	31.4	10.5	7.1

Source: Detailed Housing Characteristics, Louisiana, 1970  
U.S. Department of Commerce  
Social and Economic Statistics Administration  
Bureau of the Census.. pp. 20-157--20-162

-3-

Parish	Total No. of Houses	Less than \$5,000	\$5,000 to \$14,999	\$15,000 to \$24,999	\$25,000 to \$34,999	Greater than \$35,000
Iberville	4,399	19%	50%	21%	6%	4%
Jackson	2,859	19%	60%	17%	3%	1%
Jefferson	60,871	1%	18%	50%	20%	11%
Jefferson Davis	4,844	25%	52%	17%	4%	2%
Lafayette	17,508	5%	38%	31%	15%	11%
Lafourche	10,352	10%	48%	28%	8%	6%
LaSalle	2,591	35%	50%	11%	3%	1%
Lincoln	4,358	14%	40%	29%	11%	6%
Livingston	5,515	13%	52%	26%	6%	3%
Madison	1,961	25%	59%	9%	4%	3%
Morcheuse	5,447	23%	54%	17%	4%	2%
Natchitoches	4,378	23%	45%	20%	8%	4%
Orleans	54,400	1%	21%	42%	18%	18%
Duachita	20,094	8%	49%	27%	10%	6%
Plaquemines	2,185	10%	37%	35%	12%	6%
Pointe Coupee	2,540	14%	59%	21%	4%	2%
Rapides	18,272	11%	51%	26%	7%	5%
Red River	1,178	28%	52%	16%	2%	2%
Richland	2,566	25%	53%	16%	3%	3%
Sabine	2,588	34%	48%	13%	4%	1%
St. Bernard	9,163	1%	14%	66%	15%	4%
St. Charles	4,823	8%	37%	38%	10%	7%

CC/73 Research Staff  
Committee on Revenue,  
Finance and Taxation  
July 13, 1973  
Staff Memo No. 21

RE: Property Tax Exemption for Low and Fixed-Income Individuals and Families

I. Introduction

A major criticism of the property tax has been that it places a greater tax burden on individuals and families with low and fixed-incomes than on those with higher incomes. This can be especially true for individuals that retire and suffer a substantial reduction in their income.

Within the past few years, there has been considerable progress by many state governments to provide property tax relief for low and fixed-income individuals and families. The purpose of this memorandum is to provide a brief survey of the methods used by other state governments in providing such a law so that a similar law may be enacted in Louisiana.

II. Types of Property Tax Relief Laws

There are four major kinds of property tax relief laws for low and fixed-income individuals and families. These laws are not to be confused with homestead exemption laws which provide a benefit to all homeowners by exempting a fixed-dollar value of residential property from taxation. The type of property tax relief laws for low and fixed-income individuals and families are:<sup>1</sup>

1. Circuit Breaker--relates the percentage of property tax relieved to the income of the taxpayer. Most states have sliding scales with a ceiling on income or the amount of relief granted.

<sup>1</sup>Donald R. Burrows, Property Tax Relief in Washington: A Comparative Analysis of Alternative Proposals To Provide Assistance for Selected Groups of Taxpayers, Division of Research and Information (Washington State Department of Revenue, 1972), p. 11.

2. Absolute Grant--exempts "X" dollars or a fixed percent of assessed value from taxation or subtracts "X" dollars or a fixed percent from the tax bill.
3. Absolute Grant with an Income Requirement--exactly like the type of relief in No. 2 above but is limited to low income individuals and families.
4. Tax Freeze with an Income Requirement--freezes the tax rate at the level prevailing when the taxpayer turns 65 if his income is below a specified level. The senior citizen then pays his taxes at that rate for the duration of his life.

For the state property tax relief laws which have income requirements, all sources of income were included in the definition (state-adjusted gross income or federal-adjusted gross income plus alimony, support money, gross amount of pensions and annuities, interest on government bonds, capital gains, workmen's compensation, and Social Security payments).

The property tax relief may be administered in one of three methods:

1. a state income tax credit
2. a rebate
3. a reduction in the property tax bill

A state income tax credit or a rebate would be utilized if the property tax relief law included relief to renters as well as homeowners.

The circuit-breaker type of relief described above provides a means of giving relief to all homeowners and renters that have low and fixed-incomes. Basically, the law works as follows: The state would determine the amount of property tax that seems to be excessive relative to the taxpayer's income and provides relief for that amount. For example, assume the percentage of tax relieved depends on income according to the following schedule:<sup>2</sup>

Total Taxpayer Income	Percent of Tax Relieved
\$2,000 to \$ 3,999	100%
4,000 to 5,999	75%
6,000 to 7,999	50%
8,000 to 10,000	25%
over 10,000	0%

<sup>2</sup>Ibid., p. 4

Based on the above table, if a taxpayer earned \$7,000 and had a property tax bill of \$200, he would either receive: a \$100 reduction in state income taxes due, a \$100 rebate from the state, or a \$100 reduction in his property tax bill.

Where the law includes property tax relief for renters, the relief has to be provided through a state income tax credit or a rebate. The Vermont law defines "Rent constituting property taxes" as 20 percent of the gross rent actually paid during the taxable year...<sup>3</sup> Therefore, if the taxpayer paid \$2,400 a year in rent, his "property tax bill" would be \$480. If his income were \$7,000, then he would be granted a \$240 income tax credit or a \$240 rebate from the state.

The greatest advantage to the circuit-breaker type of property tax relief has best been summarized as follows:

"A circuit-breaker system can be an effective alternative to traditional exemption policies in achieving equity. A circuit-breaker is a method of reducing the burden of property taxes for low and fixed-income taxpayers without deteriorating the property tax base. Exemptions, on the other hand, besides eroding the local tax base, also create inequities among those who qualify for them."<sup>4</sup>

### III. Comparison of State Laws

The state laws on property tax relief for low and fixed-income individuals and families vary with respect to the following provisions: residence requirements, age limitations, income limitations, amount of property covered, and the maximum or minimum amount of relief. (See Appendix for a detailed description of each state's law.) There were only nine states with no property tax relief laws for the low and fixed-income individuals and families. They were Arizona, Arkansas, Louisiana, Mississippi, Missouri, Nevada, Oklahoma, New Mexico, and Wyoming.

### IV. Summary

The above information may be helpful to the committee in making a decision concerning property tax relief for low and

<sup>3</sup>32 V.S.A. §5961 (as amended, 1973).

<sup>4</sup>Alan C. Stauffer, Property Assessment and Exemptions: They Need Reform, Research Brief No. 3, (Education Commission of the State, Denver, Colorado, 1973), p. 8.

fixed-income individuals and families. While the property tax relief law is statutory in nature, the committee may desire to provide Constitutional recognition for such a law.

SUMMARY OF STATE LAWS ON PROPERTY

TAX EXEMPTIONS FOR LOW AND FIXED-INCOME INDIVIDUALS AND FAMILIES

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE OF LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTION
ALABAMA	Reduced tax bill	Must be a state resident	65	None	\$5,000 assessed value exempted from state ad valorem taxation.
ALASKA	Rebate	Must be a state resident	65	None	Total assessed value exempted from taxation.
ARIZONA	No relief granted				
ARKANSAS	No relief granted				
CALIFORNIA	Rebate	Must be a state resident	62	\$10,000	Relief on first \$7,500 assessed value ranges from 95% of tax payment if income is less than \$1,000 to 1% of tax payment if income is \$10,000.
COLORADO	Income tax credit or rebate	Must have been a state resident for one year	65	\$2400 if single \$3700 if married	Relief limited to 50% of the tax payment. The credit or refund is reduced by 10% of income over \$500 if single, over \$1,200 if married.
CONNECTICUT	Reduced tax bill	Must have been a resident property owner for prior 5 years	65	\$3000 if single \$3700 if married	Freezes property tax at the amount calculated (on value less \$1,000) in the first year a taxpayer meets the qualifications except that if the rate is substantially reduced then the reduced rate will apply. Special taxes are prorated.
DELAWARE	Reduced tax bill	Must have been a resident property owner for prior 3 years	65	\$3,000	\$5,000 assessed value exempted from taxation

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTIONS
FLORIDA	Reduced tax bill	Must have been a state resident for prior 5 years	65	None	\$10,000 assessed value exempted from taxes levied by school boards for current operating expenses.
GEORGIA	Reduced tax bill	Must be state resident	65	\$4,000	\$4,000 assessed value exempted from state and county taxation
HAWAII	Reduced tax bill	Must be a state resident	60	None	\$16,000 assessed value exempted from taxation if claimant is between 60 and 70 years old. If claimant is over 70, \$20,000 assessed value is exempted.
IDAHO	Reduced tax bill	Must have been a resident property owner for 10 years	65	\$4,800	First \$75 in taxes is relieved.
ILLINOIS	Reduced tax bill		65	None	\$1,500 reduction in equalized assessed valuation.
INDIANA	Reduced tax bill	Must have been a resident property owner for 1 year	65	\$6,000	Total homestead exemptic (value of property may not exceed \$6,500).
IOWA	Reduced tax bill		65	\$4,000	\$2,500 assessed value exempted from taxation

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTION
KANSAS	Income tax credit	Must have been domiciled in the state for prior year	65	\$6,000	A percentage of tax bill relieved according to how much property tax exceed a percentage of income, both percentage depending on income: 100% relief of taxes in excess of 1% of \$500 - \$1,000 to 50% relief of taxes in excess of 1% of \$5,500 - \$6,000.
KENTUCKY	Reduced tax bill		65	None	\$6,500 assessed valuation exempted from taxation.
LOUISIANA	No relief granted				
MAINE	Grant	Must have been domiciled in the state for prior year	65 for males 62 for females	35% of income must be attributed to claimant & must not exceed \$4,000	Relief equals 7% of difference between \$4,000 and income less than that.
MARYLAND	Reduced tax bill		65	\$5,000	Relief equals 50% of assessed valuation or \$4,000, whichever is less. Applies against county property taxes only.
MASSACHUSETTS	Reduced tax bill	Must have been domiciled in the state for the prior 10 years and a property owner for previous 5 years	70	\$6,000 if single \$7,000 if married	Amount of exemption is \$525 for the 18-month fiscal year which began January 1, 1973

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTION
MICHIGAN	Reduced tax bill	Must have been a state resident for 5 out of last 10 years	65	\$6,000	\$2,500 assessed value is exempted from taxation.
MINNESOTA	Income tax credit or rebate	Must be a state resident	65	\$5,000	A percentage of property tax is relieved depending on income: 90-100 on an income of \$0 - \$1,000 to 10-20% relief on an income of \$4,500 to \$5,000.
MISSISSIPPI	No relief granted				
MISSOURI	No relief granted				
MONTANA	Reduced tax bill		62 for widows 65 for widowers	\$4,000 if single \$5,200 if married	Property is taxed at 15% of the assessed value
NEBRASKA	Reduced tax bill		70	None	Limited homestead exemption of 50% of first \$1,500. Assessed valuation for veterans only.
NEVADA	No relief given				
NEW HAMPSHIRE	Reduced tax bill	Must have been a state resident for prior 5 years	70	\$4,000 if single \$5,000 if married	\$5,000 assessed value or a percentage of \$5,000 if not assessed at full value, is exempted from taxation.

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE OF LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPTION
NEW JERSEY	Reduced tax bill	Must have been a state resident for 1 year	65	\$5,000	Taxes are reduced by \$160 unless taxes are less.
NEW MEXICO	No relief granted				
NEW YORK	Reduced tax bill	Must have owned residence for prior 5 years	65	\$3,000-\$6,000 by local choice	Authorities of local government authorized to enact laws allowing up to 50% of the value of claimant's residence to be exempted from taxation.
NORTH CAROLINA	Reduced tax bill	Must reside on property at least 6 months out of the year	65	\$3,500	\$5,000 appraised value not taxed.
NORTH DAKOTA	Reduced tax bill		65	\$3,500	50% deduction of assessed value up to \$1,000.
OHIO	Reduced tax bill	Must be domiciled in state	65	\$8,000	Reduction of taxable value according to income: \$5,000 or 70% (whichever is less) of income less than \$2,000 to \$2,000 or 40% (whichever is less) for incomes between \$6,000 and \$8,000.
OKLAHOMA	No relief granted				

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATIONS	INCOME LIMITATIONS	PROVISIONS OF EXEMPTION:
OREGON	Reduced tax bill	Must be state resident for tax period	None	None	Relief is based on the amount by which taxes exceed a percentage of the income: 3% on income up to \$1,500 to 7% on income over \$80. Relief is \$105 greater if the claimant is over 80.
PENNSYLVANIA	Rebate		65/50 for widows	\$7,500	Percentage of property taxes allowed as relief depends on income: 10% for incomes under \$10,000 to 10% for incomes between \$6,000 - \$7,499.
RHODE ISLAND	Varies locally	Varies locally	65	\$4,000 for tax freeze	Property tax exempt is authorized by statute law, but provisions are approved by the local electorates in various ways. The tax freeze is authorized only for claimants with income less than \$4,000.
SOUTH CAROLINA	Reduced tax bill		65	\$4,800	\$5,000 fair value exempted from county, school, and special assessment property taxes.
SOUTH DAKOTA	Reduced tax bill		65	None	\$1,000 assessed value of real estate exempt from taxation.

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATIONS	INCOME LIMITATIONS	PROVISIONS OF EXEMPTION
TENNESSEE	Tax refund	Must be a resident property owner for 1 year	65	\$4,800	Refund to every taxpayer 65 years of age or over, whose annual income does not exceed \$4,800.
TEXAS	Reduced ad valorem tax on property being used for benefit of the elderly.		62		An exemption is provided for property used by certain non-profit corporations organized to provide homes for the elderly.
UTAH	Abatement		65	\$2,500 if single \$3,000 if married	Abatement of up to \$500 or one-half of the total property tax, whichever is less.
VERMONT	Income tax credit or rebate	Must have been domiciled in the state for prior year	65	\$4,286	Tax payment in excess of 7% of claimants income times a local rate factor is relieved.
VIRGINIA	Reduced tax bill		65	\$1,500	Homestead exemption deferrals are provided for by the counties, cities and towns in various ways.
WASHINGTON	Reduced tax bill	Must have occupied home for prior 2 years and been a state resident for prior 3 years	62	\$6,000	Percentage of excess levies exempted depending on income: 100% for incomes less than \$4,000, 50% for incomes between \$4,000--\$6,000.

STATE	TYPE OF RELIEF	RESIDENCY REQUIREMENTS	AGE LIMITATION	INCOME LIMITATION	PROVISIONS OF EXEMPT:
WEST VIRGINIA	Reduced tax bill		65	\$15,000	Basic circuit breaker legislation to take effect July 1, 1973.
WISCONSIN	Income tax credit or rebate	Must have been a state resident for prior year	62/60 for totally and permanently disabled persons	\$5,000	Formula provides for a diminishing credit as income rises.
WYOMING	No relief granted				

Source: Commerce Clearing House: State Tax Reporter

State-Local Finances: Significant Features and Suggested Legislation

(ACIR, 1972)

CC/73 Research Staff  
 Committee on Revenue,  
 Finance, and Taxation  
 April 26, 1973  
 Staff Memorandum No. 22

RE: Constitutional and statutory provisions of California relative to the limitation of one percent of actual value on property taxes.

Article XIII, Section 1 of the California Constitution provides that all property in the state unless it is otherwise exempt shall be taxed in proportion to its value as provided by law.

Section 401 of the California Revenue and Taxation Code provides that every assessor shall assess all property subject to general property taxation at twenty-five percent of its full cash value.

There is no provision in the laws or constitution of California that provides for a limitation of one percent of actual cash value on property taxes.

CC/73 Research Staff  
 Committee on Revenue,  
 Finance and Taxation  
 August 1, 1973  
 Staff Memorandum No. 23

RE: Poverty in Louisiana by Parish and Distribution of Population by Age

The purpose of this memorandum is to provide information concerning the level of poverty in Louisiana by parish, which may be helpful in designing the state tax laws to prevent the excessive taxation of families which are living in poverty. Also, a distribution of population by age is given which may be useful in determining the future financial needs of the state.

Poverty in Louisiana

The classifying of families living in poverty depends on the family's annual income, size, and location. Table I shows the poverty level incomes according to farm and nonfarm families given the size of the family. For example, a family of four would be considered living in poverty if they had \$4,200 or less nonfarm income or \$3,575 or less farm income.

Table I

Poverty Level Incomes for Farm and Nonfarm Families by Family Size, 1970

<u>Family Size</u> <sup>1</sup>	<u>Nonfarm</u>	<u>Farm</u>
1	\$2100	\$1800
2	2725	2325
3	3450	2950
4	4200	3575
5	4925	4200

For each additional family member, add:

\$650                      \$550

Source: U.S. Bureau of the Census, General Social and Economic Characteristics, Louisiana, 1970, (Washington, D.C.: U.S. Government Printing Office, 1970), p. 343.

According to the 1970 census, 187,955 families in Louisiana lived below the poverty level. This represents 21.5 percent of the state family population.<sup>2</sup> Appendix I shows the percent of families living in poverty in Louisiana by parishes and their respective rank.

The five parishes with the highest percent of families living below poverty were: East Carroll (50.4%), Tensas (50.1%), Madison (45.1%), St. Helena (44.3%), and Franklin (42.1%).

The five parishes with the lowest percent of families living below poverty were: Jefferson (8.5%), St. Bernard (8.5%), East Baton Rouge (13.6%), Plaquemines (14.8%), and Terrebonne (15.3%).

<sup>1</sup>This excludes inmates of institutions, members of the armed forces living in barracks, college students in dormitories, and unrelated individuals under 14 years.

<sup>2</sup>U.S. Bureau of the Census, General Social and Economic Characteristics, Louisiana, 1970, (Washington, D.C.: U.S. Government Printing Office, 1970), p. 343.

Distribution of Population by Age in Louisiana

The population in Louisiana was 3,641,306 according to the 1970 census. Table II shows the distribution of the 1970 population by age. It was considered significant that 31.76 percent of the population in Louisiana was under 14 years of age. Furthermore, 72.99 percent of the population was under 45 years of age and only 8.42 percent of the population was over 65 years of age.

Table II

Distribution of Population in Louisiana by Age, 1970

<u>Age Group</u>	<u>Total Population</u>	<u>Percent</u>
Under 14	1,156,620	31.76
15 - 24	675,248	18.54
25 - 44	826,035	22.69
45 - 64	676,678	18.59
Over 65	306,725	8.42
	<u>3,641,306</u>	<u>100.00</u>

Source: Statistical Abstract of Louisiana, (Division of Business and Economic Research, College of Business Administration, LSUNO), 1971, pp.26-28.

The significance of growth and distribution of population on the future financial needs of the state and local governments has been summarized as follows:

"More babies are being born, and more are surviving infancy and early childhood. This leads to increased needs for maternal and public health clinics, and for more elementary and secondary schools. In addition, people are demanding more expensive services from their public schools - such as buses, lunches, gyms, auditoriums, foreign language and other specialized instruction, vocational education, special classes for the gifted, the mentally and physically handicapped, and special school services for poverty-stricken children. More and more communities are providing post-high-school

education in junior and four-year community colleges."<sup>3</sup>  
 Louisiana's state and local governments will have to meet many of the needs which were mentioned in the above quote since a large percentage of its population was under 15 years of age.

Conclusion

Louisiana has a significant level of its population living in poverty (21.5 percent of the state family population). Also, a significant percent of the population (31.76 percent) is under 15 years of age.

In all probability these two factors will result in additional financial burden on state and local governments. Therefore, it is of great importance that a sound tax structure exist to finance the future needs of the state.

<sup>3</sup>L.L. Elser-Racz, *The Politics and Economics of State-Local Finance*, (Prentice-Hall, Inc., Englewood Cliffs, New Jersey), 1970, p. 10.

APPENDIX I

Percent of Families Living in Poverty in Louisiana by Parish, 1970

Parish	Percent of Families Below Poverty Level	Rank by Highest Percent
Acadia	29.5	30
Allen	30.1	29
Ascension	22.2	41
Assumption	30.2	28
Avoyelles	38.3	9
Beauregard	21.4	46
Bienville	33.8	19
Bossier	16.5	56
Caddo	18.7	52
Calcasieu	16.5	56
Caldwell	33.7	20
Cameron	16.7	55
Catahoula	36.6	14
Claiborne	33.0	23
Concordia	31.9	25
DeSoto	34.6	18
East Baton Rouge	13.6	62
East Carroll	50.4	1

East Feliciana	33.6	21
Evangeline	39.3	7
Franklin	42.1	5
Grant	29.0	31
Iberia	22.7	40
Iberville	30.3	27
Jackson	23.3	39

Parish	Percent of Families Below Poverty Level	Rank by Highest Percent
Jefferson	8.5	63
Jefferson Davis	28.0	32
Lafayette	19.3	50
Lafourche	15.4	59
LaSalle	24.3	37
Lincoln	23.9	38
Livingston	19.6	46
Madison	45.1	3
Morehouse	32.8	24
Natchitoches	37.7	11
Orleans	21.6	43
Ouachita	20.8	48
Plaquemines	14.8	61
Pointe Coupee	36.2	15
Rapides	21.6	43
Red River	40.0	6
Richland	36.8	13
Sabine	34.8	17
St. Bernard	8.5	63
St. Charles	16.3	58
St. Helena	44.3	4
St. James	21.5	45
St. John the Baptist	21.8	42
St. Landry	38.3	9
St. Martin	36.1	16
St. Mary	19.0	51
St. Tammany	16.9	54
Tangipahoa	33.5	22

Parish	Percent of Families Below Poverty Level	Rank by Highest Percent
Tensas	50.1	2
Terrebonne	15.3	60
Union	26.9	33
Vermilion	25.0	36
Vernon	18.7	52
Washington	26.3	35
Webster	21.2	47
West Baton Rouge	26.9	33
West Carroll	36.9	12
West Feliciana	38.4	8
Winn	31.0	26

CC/73 Research Staff  
 Committee on Revenue,  
 Finance and Taxation  
 August 8, 1973  
 Staff Memo No. 24

Source: Appendix I

Simple correlation analysis was used to determine the degree of association between the percent of families living in poverty and the dollar value of industrial exemptions. The result was a correlation coefficient of minus .30 for these two variables.

The correlation coefficient may be judged in the following manner:<sup>1</sup>

- (1) If the coefficient is .90 or higher, a very high correlation exists.
- (2) If a coefficient is between .80 and .90, a good correlation is said to exist.
- (3) A coefficient between .60 and .80 indicates a degree of correlation.

<sup>1</sup>Howard L. Balesley, Quantitative Research Methods for Business and Economics, (New York: Random House, 1970), p. 173.

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- (4) A coefficient between .30 and .60 indicates some possibility of correlation.
- (5) A coefficient below .30 indicates no probable association between the variables, and therefore, no correlation may be assumed.

The negative sign indicates an inverse relationship between the two variables. Therefore, as the percent of families living in poverty increased by parish, the dollar value of industrial exemptions increased by parish.

The above analysis indicated no degree of association existed by parish between the percent of families living in poverty and the dollar value of industrial exemptions. The correlation coefficient (-.30) was too low.

However, there are several weaknesses of the above analysis. The conclusion does not mean that industrial development does not help increase the well-being of a parish. The dollar value of industrial exemption may be a poor indicator of the degree of industrialization occurring in a parish; therefore, little correlation existed between the two variables. Also, highly industrialized parishes may have a high level of unemployment which would increase the percentage of families living in poverty.

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RE: The Relationship between the Percentage of Families Living in Poverty and the Dollar Value of Industrial Exemptions by Parish

The attached appendix shows by parish the percentage of families living in poverty and the dollar value of industrial exemptions in Louisiana. There was reason to believe some degree of association existed between the level of poverty and the amount of industrialization in a parish. Therefore, the hypothesis was: the lower the percentage of poverty in a parish, the higher the dollar value of industrial exemptions.

The comparison of the percentage of families living in poverty and the dollar value of industrial exemptions gives little indication of any relationship existing between the two variables. For example, Jefferson and St. Bernard have the lowest poverty levels (8.5%) whereas industrial exemptions were \$265,000,000 and \$97,000,000 respectively. Neither of these two parishes was among the five parishes with the highest dollar value of industrial exemptions. Table 1 shows the five parishes with the highest dollar value of industrial exemptions and the rank of the percentage of families living in poverty for those parishes. Of these five parishes, East Baton Rouge had the lowest level of poverty (13.6%) whereas West Feliciana had the highest (38.4%).

The Five Parishes with the Highest Dollar Value of Industrial Exemption

Parish	Percent of Families Living in Poverty	Rank of Percent of Families Living in Poverty	Dollar Value of Industrial Exemptions
St. Charles	16.3%	7	\$917,000,000
Ascension	22.2	24	899,000,000
East Baton Rouge	13.6	3	768,000,000
West Feliciana	38.4	57	756,000,000
Iberville	30.3	38	556,000,000

APPENDIX

Relationship of Percent of Families Living in Poverty and  
Dollar Value of Industrial Exemptions by Parish, 1970

PARISH	Percent of Families Living in Poverty <sup>1</sup>	Dollar Value of Exempt Mfg. Plants under 10-year Contract (Millions) <sup>2</sup>
Jefferson	8.5%	\$265.00
St. Bernard	8.5	97.00
East Baton Rouge	13.6	768.00
Plaquemines	14.8	38.00
Terrebonne	15.3	30.00
Lafourche	15.4	10.00
St. Charles	16.3	917.00
Bossier	16.5	5.00
Calcasieu	16.5	551.00
Cameron	16.7	37.00
St. Tammany	16.9	5.00
Caddo	18.7	153.00
Vernon	18.7	0.70
St. Mary	19.0	95.00
Lafayette	19.3	6.00
Livingston	19.6	9.00
Ouachita	20.8	114.00
Webster	21.2	26.00
Beauregard	21.4	8.00
St. James	21.5	290.00
Rapides	21.6	499.00
Orleans	21.6	195.00
St. John the Baptist	21.8	105.00
Ascension	22.2	899.00
Iberia	22.7	13.00
Jackson	23.3	132.00
Lincoln	23.9	12.00
LaSalle	24.3	22.00
Vermilion	25.0	22.00
Washington	26.3	42.00
Union	26.9	7.00
West Baton Rouge	26.9	21.00

PARISH	Percent of Families Living in Poverty	Dollar Value of Exempt Mfg. Plants under 10-year Contract (Millions)
Jefferson Davis	28.0%	\$ 7.00
Grant	29.0	0.00
Acadia	29.5	13.00
Allen	30.1	13.00
Assumption	30.2	13.00
Iberville	30.3	556.00
Winn	31.0	16.00
Concordia	31.9	0.50
Morehouse	32.8	72.00
Clabourne	33.0	5.00
Tangipahoa	33.5	9.00
East Feliciana	33.6	.07
Caldwell	33.7	.80
Bienville	33.8	.80
DeSoto	34.6	2.00
Sabine	34.8	10.00
St. Martin	36.1	15.00
Pointe Coupee	36.2	37.00
Catahoula	36.6	2.00
Richland	36.8	4.00
West Carroll	36.9	.09
Natchitoches	37.7	10.00
Avoyelles	38.3	3.00
St. Landry	38.3	5.00
West Feliciana	38.4	756.00
Evangeline	39.3	21.00
Red River	40.0	2.00
Franklin	42.1	.30
St. Helena	44.3	0.00
Madison	45.1	2.00
Tensas	50.1	2.00
East Carroll	50.4	2.00

1 General Social and Economic Characteristics, Louisiana, 1970  
U. S. Department of Commerce  
Bureau of the Census; pp 20-343--20-348.

2 U. S. Bureau of the Census, Current Population Reports Series p-25, No. 436.

RE: Arguments for and against the Exemption of Business Inventories from Taxation.

The taxation of business personal property has been the subject of considerable debate in recent years. The purpose of this report is to present the basic arguments for and against the exemption of business inventories from taxation.

#### Arguments For the Exemption of Business Inventories

The arguments for the exemption of business inventories from taxation have been summarized as follows:

1. Inventories are impossible of precise appraisal by an assessor, and book values vary in meaning from one set of accounts to another.<sup>1</sup>
2. The nature of business varies from one to the other. Movable goods turn over at varying rates and some may increase or decrease in value through mere storage.<sup>1</sup>
3. Certain-day taxation of inventories can mean that much of it may escape taxation entirely, while the average-amount-on-hand-during-the-year method increases taxpayer compliance costs and may work out inequitably with seasonal businesses.<sup>1</sup>
4. The manufacturer-taxpayer cannot escape the tax as many others do. To the extent that this is true the tax is discriminatory.<sup>1</sup>
5. When one state exempts inventories and another does not, the image of the nation as a single market is blurred.<sup>1</sup>
6. If a state does not tax intangibles, such as accounts receivable, but does tax inventories, it is merely "taxing by labels," for inventories of goods to be sold are embryonic accounts receivable.<sup>1</sup>
7. There is very little relationship between the size of inventories of businesses and profitability of businesses. Therefore, the tax cannot be levied uniformly.<sup>2</sup>
8. The exemption of inventories may be a factor considered by businessmen in deciding to locate new manufacturing plants.<sup>3</sup>

The Advisory Commission on Intergovernmental Relations has made the following recommendation concerning the exemption of business inventories:

The Commission is aware that retention or repeal of the tax on business personal property is a policy issue the State alone can resolve in full awareness of its own local circumstances. However, the Commission believes that in framing their business tax policies, States should give a high priority to eliminating or perfecting the locally administered tax on business personal property because it discriminates erratically among business firms. Therefore, the commission recommends that States eliminate the tax on business inventories and either move the administration of the tax on other classes of business personalty (notably machinery and equipment) to the State level or provide strong State supervision over the administration of the tax to insure uniformity. It recommends further that States reimburse local governments for the attendant loss in revenue by making more intensive use of State imposed business taxes.<sup>3</sup>

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#### Arguments Against the Exemption of Business Inventories

The arguments against the exemption of business inventories from taxation have been summarized as follows:

1. The greater the inventory the greater the taxpayer's need for police and fire protection. The tax is justified according to the benefits-received principle of taxations.
2. Inventories represent a significant percentage of the wealth of business and therefore provide a productive source of revenue for local governments.
3. The inclusion of inventories provides a broader tax base for local governments, which increases their tax revenues and thus increases their borrowing power.

The above arguments for and against the exemption of business inventories from taxation should be evaluated carefully, since inventory taxation may be a very important source of revenue for local governments. John F. Due, an authority on public finance, has stated that:

The use of taxes on business, per se (more commonly, on corporate business), as distinguished from application of income taxes to businesses as well as individuals, is justified on the grounds that business firms have taxing capacity distinct from their owners. The argument is based upon the philosophy that modern businesses, especially large-scale ones, have command over extensive assets and are controlled by persons other than the owners (the professional managers). Accordingly, they are considered to be taxable entities and can justifiably be regarded as taxpayers themselves, without respect to the individuals who own them or are otherwise involved with them.<sup>4</sup>

#### Taxation of Inventories in Louisiana

The attached appendix gives the law in Louisiana on the taxation of inventories. If the inventory tax is maintained, some feel there

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is a need to make some changes in the tax law in order to remove some of the inequities which were stated in the arguments for the exemption of inventories from taxation.

#### FOOTNOTES

<sup>1</sup>----Tax Institute of America, State and Local Taxes on Business (Princeton, 1965), p. 175-176.

<sup>2</sup>L. L. Echer-Racz, The Politics and Economics of State-Local Finances (Englewood Cliffs, J. J.: Prentice-Hall, Inc., 1970), p. 89.

<sup>3</sup>----Advisory Commission on Intergovernmental Relations, State-Local Taxation and Industrial Location (A Commission Report, 1967) p. 82.

<sup>4</sup>John F. Due, Governmental Finance: Economics of the Public Sector (Homewood, Illinois: Richard D. Irwin, Inc., 1968), p. 386.

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NOTES

Text of La. R. S. 47: 1951, 1952, and 1961, attached as Appendix to Memo No. 25, is omitted.

CC/73 Research Staff  
 Committee on Revenue,  
 Finance and Taxation  
 September 6, 1973  
 Staff Memorandum No. 26

RE: Multi-Parish Taxing Districts in Louisiana as of 1971

In 1971 there were 24 multi-parish taxing districts in Louisiana. Appendix I lists each district, constitutional or statutory citation, and the number of mills each is authorized to levy. However, all of these districts did not levy taxes in 1971.

Appendix II shows the seven taxing districts which levied taxes in 1971 and the assessed value, millage, taxes collected, and bonded indebtedness of each district.

The only way uniformity of property taxation can be achieved in each district is through uniform assessment ratios. Property in the same class must be assessed at the same ratio in order to have uniformity with a particular taxing district.

No attempt was made to determine if uniformity of property taxation existed in the above districts because of the assessment ratios of each parish were not available.

APPENDIX I

LOUISIANA MULTI-PARISH TAXING DISTRICTS (1971)

(Includes districts where tax is authorized by constitution or statute whether or not tax is levied)

1. South La. Health Services District  
 R.S. 28: 241 et seq.  
 Parishes of Lafayette, Vermilion, Iberia, and St. Martin  
 RS. 28: 247 (3) Authorized 5 mills
2. La. Coastal Commission  
 R.S. 34: 2251 et seq.  
 Parishes of Acadia, Calcasieu, Cameron, Iberia, Jefferson  
 Davis, Lafayette, Lafourche, St. Landry, St. Martin,  
 St. Mary, Terrebonne, and Vermilion.  
 R.S. 34: 2253.1 Authorized 20 mills
3. Red River Waterway District  
 R.S. 34:2301 et seq.  
 Parishes of Avoyelles, Rapides, Natchitoches, Red River,  
 Grant, Bossier, and Caddo  
 R.S. 34:2309 (9) Authorized 2 mills
4. Jackson-Bienville Parishes Dugdemona Watershed District  
 R.S. 38:3000 et seq.  
 Portions of the parishes of Jackson and Bienville  
 R.S. 38:3007 (17) Authorized 1 mill
5. Acadia-St. Landry (Hospital Service Districts)  
 R.S. 46:1051 et seq.  
 Parishes of Acadia and St. Landry  
 R.S. 46:1065 Authorized 5 mills
6. St. Landry-St. Martin (Hospital Service Districts)  
 R.S. 46:1051 et seq.  
 Parishes of Acadia and St. Landry  
 R.S. 46:1065 Authorized 5 mills
7. Acadia-Evangeline Fire Protection Commission  
 Authorized 1 mill
8. Teche-Vermilion Fresh Water District  
 Parishes of Iberia, Lafayette, Vermilion, and St. Martin  
 Authorized 1 1/2 mills
9. St. Landry-St. Martin Sub-1 Drainage District  
 Authorized 5 mills

10. Tensas Basin Levee District  
 Parishes of Morehouse, West Carroll, Richland, Franklin,  
 Catahoula, La Salle, and portions of Ouachita and  
 Caldwell  
 Authorized 5 mills
11. Fifth La. Levee District  
 Parishes of East Carroll, Madison, Tensas, and Concordia  
 Authorized 5 mills
12. Atchafalaya Basin Levee District  
 Parishes of Pointe Coupee, West Baton Rouge, Terrebonne,  
 and portions of Iberville, Ascension, Assumption,  
 Lafourche, St. Martin, St. Mary, Iberia, and St. Landry.  
 Authorized 5 mills
13. Pontchartrain Levee District  
 Portions of the parishes of East Baton Rouge, Iberville,  
 Ascension, St. James, St. John, St. Charles, and  
 Jefferson.  
 Authorized 5 mills
14. Lafourche Basin Levee District  
 Portions of the parishes of Ascension, Assumption, St. James,  
 St. John, Lafourche, St. Charles, Jefferson, and Plaquemines.  
 Authorized 5 mills
15. Red River-Bayou Pierre Levee and Drainage District  
 Portions of the parishes of Red River and DeSoto.  
 Authorized 5 mills
16. Nineteenth La. Levee District  
 Portions of the parishes of Grant and Red River.  
 Authorized 5 mills
17. Red River, Atchafalaya, and Bayou Boeuf Levee District  
 Portions of the parishes of Rapides, Avoyelles, and St. Landry  
 Authorized 5 mills
18. Bayou Lafourche Fresh Water District  
 Portions of the parishes of Ascension, Assumption, and Lafourche,  
 specifically, 4200 feet either side of the center line of  
 Bayou Lafourche from the Mississippi River to the Gulf of  
 Mexico.  
 Authorized 5 mills for any one purpose and maximum of 25 mills  
 for all purposes
19. Caddo-Bossier Parishes Port Commission  
 Article 6 §32  
 Parishes of Caddo and Bossier.  
 Authorized 2 1/2 mills

20. Francis T. Nicholls State College at Thibodaux  
 Article 10 §23  
 Parishes of Assumption, Lafourche, St. Mary, Terrebonne, and  
 those portions of the parishes of Ascension, St. Charles,  
 St. James, and St. John the Baptist situated on the west  
 bank of the Mississippi River.  
 Authorized 1 mill
  21. Livingston-Tangipahoa Parishes Port Commission  
 R.S. 34:1951 et seq.  
 Parish of Livingston and a portion of the parish of Tangipahoa.  
 Authorized 2 1/2 mills for administrative, operative, and  
 maintenance expenses. Authorized taxes "without limitation  
 as to rate or amount" to fund bonds for capital outlay
- Navigation Districts
22. Red River Navigation District  
 Parishes of Caddo and Bossier.  
 Authorized 1 mill
  23. South La. Tidal Water Control Levee District  
 R.S. 38:1051 et seq.
  24. Recreational Facilities Districts  
 R.S. 33:4571 et seq.  
 Authorized 10 mills

APPENDIX II

LOUISIANA MULTI-PARISH TAXING AUTHORITIES WHICH ACTUALLY LEVIED TAXES IN 1971

Name	1971 Assessment	Millage	Collections	Bonded Indebtedness
Atchafalaya Basin Levee District	\$304,563,760	2.50	\$ 761,409.40	\$ 138,000
Fifth Louisiana Levee District	70,308,233	3.00	210,924.70	-
Pontchartrain Levee District	339,693,360	4.00	1,358,773.44	8,107,000
Red River, Atchafalaya & Bayou Boeuf Levee District	96,227,160	5.00	481,135.80	-
Red River & Bayou Pierre Levee District	3,354,658	5.00	16,773.29	-
Tensas Basin Levee District	212,682,280	2.00	425,364.56	-
Bayou Lafourche Fresh Water District	120,797,906	2.25	271,795.29	71,000
			<hr/>	<hr/>
			\$3,526,176.48	\$8,316,000

Source: Legislative Council, 1971

CC/73 Research Staff  
 Committee on Revenue, Finance  
 and Taxation  
 August 28, 1973  
 Staff Memo No. 27

XIV 10-14  
 XIV 19  
 XIV 21-23.1  
 XIV 23.3  
 XIV 24  
 XIV 24.2-24.11  
 XIV 24.12-30.3  
 XVI 2.3  
 XVIII 7,13  
 XIX 8,19

RE: Clarification of disposition of various sections of Louisiana Constitution of 1921 assigned to Committee on Revenue, Finance and Taxation

The Committee on Revenue, Finance and Taxation for the record needs to clarify the disposition of the following sections of Louisiana Constitution of 1921:

NOTE: Actually, Committee on Revenue, Finance and Taxation already has acted upon the above sections by implication as a result of the adoption of Committee Proposal 15 (CC-1076) and Committee Proposal 26 (CC-1223). However, for the record definitive action should be taken section by section.

ARTICLE	SECTION	PARAGRAPHS
IV	3	
IV	4	10,15,17
VI	16	
VI	22(g)	
VI	23.1	
VI	25	
X	1	8,9-12
X	2	
X	5	
X	6	
X	10	1,2,10
X	10(A)	
X	10(B)	
X	11	

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NOTES

Staff Memo No. 28 is not found in the files of the Committee. It is identified as the amendments to C. P. No. 15 and C. P. No. 26.

CC/73 Research Staff  
 Committee on Revenue,  
 Finance and Taxation  
 September 26, 1973  
 Staff Memo No. 29

ARTICLE	SECTION	PARAGRAPHS
X	13	
X	14	
X	15	
X	16	
X	22	
X-A	1-5	
XI	1-5	
XII	14	
XII	15	
XII	16	
XII	17	
XIV	7-8	

RE: State Taxation or Exemption of Stocks and Bonds

Appendix I shows the state tax status of stocks and bonds by states for 1973. Twenty-three states exempt both stocks and bonds from state taxation (column 1). Seven of these states allowed local governments to levy a local property tax on stocks (Alabama, Georgia, Illinois, Indiana, Nevada, North Carolina, and Pennsylvania).

Eighteen states exempt neither stocks or bonds from state taxation (column 2). Two of these states (Minnesota and Missouri) allowed local governments to levy a local property tax on stocks.

Nine states exempt either stocks or bonds (column 3). Two of these states (Florida and Michigan) allowed local governments to levy a local property tax on stocks.

APPENDIX I

State Taxation or Exemption of Stocks and Bonds  
By State, 1973

<u>Exempts Both Stocks and Bonds</u>	<u>Exempts Neither Stocks nor Bonds</u>	<u>Exempts Either Stocks or Bonds</u>
Alabama <sup>1</sup> (Stat.)	Alaska (Stat.)	Connecticut (Stat.) (Stock)
California (Const. & Stat.)	Arizona (Const. & Stat.)	Florida <sup>1</sup> (Stat.) (Bonds)
Colorado (Const.)	Arkansas (Stat.)	Maryland (Stat.) (Stock)
Delaware (Stat.)	Hawaii (Stat.)	Massachusetts (Stat.) (Stock)
Georgia <sup>1</sup> (Stat.)	Idaho (Stat.)	Michigan <sup>1</sup> (Stat.) (Stock)
Illinois <sup>1</sup> (Const.)	Kentucky (Const. & Stat.)	Montana (Const.) (Stock)
Indiana <sup>1</sup> (Stat.)	Louisiana (Stat.)	New Hampshire (Const. & Stat.) (Stock)
Iowa (Stat.)	Minnesota <sup>1</sup> (Stat.)	South Dakota (Stat.) (Bonds)
Kansas (Stat.)	Missouri <sup>1</sup> (Stat.)	Wyoming (Stat.) (Stock)
Maine (Const.)	Nebraska (Stat.)	
Mississippi (Stat.)	New Mexico (Stat.)	
Nevada <sup>1</sup> (Stat.)	North Dakota (Stat.)	
New Jersey (Stat.)	Ohio (Stat.)	
New York (Stat.)	Oklahoma (Stat.)	
North Carolina <sup>1</sup> (Stat.)	Tennessee (Stat.)	
Oregon (Stat.)	Texas (Const.)	

APPENDIX I

State Taxation or Exemption of Stocks and Bonds  
By State, 1973

<u>Exempts Both Stocks and Bonds</u>	<u>Exempts Neither Stocks nor Bonds</u>	<u>Exempts Either Stocks or Bonds</u>
Pennsylvania <sup>1</sup> (Stat.)	Vermont (Stat.)	
Rhode Island (Stat.)	West Virginia (Const.)	
South Carolina (Const.)		
Utah (Stat.)		
Virginia (Stat.)		
Washington (Stat.)		
Wisconsin (Stat.)		

<sup>1</sup>The following states have a local property tax on stocks:

- |          |                |
|----------|----------------|
| Alabama  | Minnesota      |
| Florida  | Missouri       |
| Georgia  | Nevada         |
| Illinois | North Carolina |
| Indiana  | Pennsylvania   |
| Michigan |                |

Source: Commerce Clearing House, All State Tax Guide, New York, Chicago, Washington, 1973.

CC/73 Research Staff  
 Committee on Revenue,  
 Finance and Taxation  
 October 8, 1973  
 Staff Memo No. 30

## LOUISIANA STATE TAX REVENUES (1971-72)

As Defined in Proposal No. 60

RE: Delegate Proposal No. 60

The following provides an example of Delegate Proposal Number 60 - provision to control future growth of state tax revenues - for the State of Louisiana for the fiscal year of 1971.

The total personal income for Louisiana and total tax revenue figures for the fiscal year 1971 were taken from the Survey of Current Business and Financial Statement for the State of Louisiana, respectively.

State Personal Income (1971) <sup>1</sup>	\$12,010,000,000
State Tax Revenue Limit (10% of PI)	\$ 1,201,000,000
State Tax Revenues (1971) <sup>2</sup> (Appendix 1)	\$ 1,082,871,162
	\$ 118,128,838

If Delegate Proposal No. 60 were adopted, the state could have increased tax revenue by \$118,128,838 before reaching the tax limit of \$1,201,000,000. If the tax structure had raised tax revenue in 1971 above the \$1,201,000,000, the additional amount would have been placed in a tax surplus fund which could have been used for an annual income tax refund or a tax reduction as provided by law.

California's proposed state tax revenue limit law would use its Tax Surplus Fund for tax refunds or reductions and/or for emergency situation appropriations (See Appendix II). The surplus would be utilized for a refund by means of a credit of 20% of personal income taxes, excluding taxes on capital gains on assets held for more than one year, items of tax preference, estates and trusts, or in such lesser percentage as the director of the Department of Finance would certify available for such refund. The proposed constitutional provision exempts single individuals whose adjusted gross income is less than \$4,000 and married couples and heads of households whose adjusted gross income is less than \$8,000 from state personal income taxes. The state tax revenue for purposes of computing the state tax revenue limit shall not be reduced by the refunds.

STATE TAXES, LICENSES, FEES:	TOTAL 1971-72
Alcoholic Beverage Taxes and Fees	\$ 15,020,256.26
Anhydrous Ammonia Permits	23,561.45
Beer Taxes and Fees	23,385,033.98
Motor Vehicle Certificates of Title	3,457,807.00
Corporation Franchise Tax	29,098,533.23
Electricity Taxes	11,063,508.44
Gift Tax	487,795.84
Hotel-Motel Occupancy Tax	52,836.42
Income Tax	184,876,598.48
Inspection Fees - Petroleum Products	617,136.04
Liquified Petroleum Gas Permits	72,610.01
Motor Carrier Regulatory Tax	78,039.27
Natural Gas Franchise Tax	1,412,171.43
Occupational Licenses	9,781,756.70
Public Utilities Tax	6,173,128.52
Reforestation Tax	41,556.67
Total Sales Tax (including Parish Service Charge)	277,954,742.36
Severance Tax on Natural Resources	242,255,478.75
Soft Drink Taxes and Fees	3,578,309.91
Supervision and Inspection Fees	189,801.28
Tax Credit Warrants	42,026.86
Tobacco Tax and Fees	47,463,999.22
Ad Valorem Tax	29,116,994.25
Alcoholic Beverage Permits	778,319.14
Excise License Tax-Insurance	21,523,380.24
Inheritance Tax	9,411,000.98
Secretary of State Fees:	
Incorporation Taxes	232,611.75
Fees, Various	309,348.85
Wildlife and Fisheries Commission - Fees:	
Licenses, Fees, Severance Tax, Etc.	937,918.16
Angling Licenses	285,661.63
Trapping Licenses	4,908.17
Hunting Licenses	837,869.05
Rentals	130,881.35
Motor Boat Registration	193,062.00
Highway Fund:	
Gasoline Taxes	125,150,989.01
Lubricating Oil Tax	3,058,706.81
Special Fuels Tax	9,824,475.49
Motor Vehicle Licenses	23,948,348.87
TOTAL	\$ 1,082,871,162.00

## NOTES

Appendix II setting out California initiative proposition relative to tax and expenditure legislation [Calif. Const. proposed Art. XXIX] has been omitted.

CC/73 Research Staff

Committee on Revenue,  
Finance and Taxation

September 18, 1973

Staff Memorandum No. 31

RE: Authorization of Parishes, Municipalities, and Parish or Municipal School Boards to Levy Sales Taxes

## PARISHES

By authority of La. R.S. 33:2721 (1950), the parishes of Madison, Iberville, East Feliciana, West Baton Rouge, Ascension, St. John the Baptist, St. Charles, St. Tammany, St. James, St. Landry, Iberia, Pointe Coupee, Rapides, St. Mary, Concordia, and Assumption are authorized to levy a one percent sales tax.

<sup>1</sup>Survey of Current Business, August, 1972, p. 24  
 U. S. Department of Commerce, Social and Economic Statistics Administration  
 Bureau of Economic Analysis

<sup>2</sup>Financial Statement, State of Louisiana, 1971-72

La. R.S. 33:2737.1 (1950) authorizes the parishes of Jefferson and St. Bernard to levy a one-half percent sales tax. Sabine, St. Bernard, Ascension, Lafourche, Morehouse, Lafayette, and Red River parishes are authorized to levy a one percent sales tax by La. R.S. 33:2737.21, 33:2737.31, 33:2737.42, 33:2738.41, 33:2738.42, 33:2738.43, and 33:2738.43 of 1950, respectively. The parish of East Baton Rouge is authorized to levy a two percent sales tax by La. R.S. 33:2741 (1950). All of the above authorizations, except those for East Baton Rouge, require voter approval before their imposition.

#### MUNICIPALITIES

According to La. R.S. 33:2711 (1950), all incorporated municipalities are authorized to levy a one percent sales tax. Furthermore, St. Francisville is authorized to levy an additional two percent sales tax, Zachary an additional three-fourths of one percent sales tax, New Orleans an additional one-half percent sales tax, and New Iberia an additional two percent sales tax in La. R.S. 33:2711.1, 33:2711.2, 33:2711.3, and 33:2711.5 of 1950, respectively. All of the above require voter approval before imposition.

#### SCHOOL BOARDS

All school boards are authorized to levy a one percent sales tax by La. R.S. 33:2737 (1950) except Jefferson and St. Bernard, which are authorized in subsequent acts. In addition, the following school boards are allowed to levy an additional one percent tax:

West Feliciana Parish	--	La. R.S. 33:2735.1
Concordia Parish	-----	La. R.S. 33:2736
East Feliciana Parish	--	La. R.S. 33:2738
Livingston Parish	-----	La. R.S. 33:2737.44
St. Mary Parish	-----	La. R.S. 33:2737.6
Bienville Parish	-----	La. R.S. 33:2737.7

The school boards of Jefferson and St. Bernard parishes were authorized to levy a one-half percent sales tax by La. R.S. 33:2737.1 (1950). Additionally, Jefferson Parish's school board was authorized to levy a one-half percent sales tax by La. R.S. 33:2737.43

(1950), and the school board of St. Bernard Parish was authorized to levy an additional one-half percent sales tax by La. R.S. 33:2738.21 (1950). The Northeast Louisiana Sales Tax District composed of the

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parishes of Catahoula, Jackson, Caldwell, West Carroll, Concordia, East Carroll, Franklin, Madison, Morehouse, Richland, Tensas, Union, Ouachita, and Lincoln was authorized by La. R.S. 33:2737.12 (1950) to levy a one percent sales tax. Once again, all of the above authorized sales taxes require voter approval before their imposition.

In summary, all of the sales taxes as authorized above, except East Baton Rouge Parish, require voter approval before imposition. The attachments are compilations of the statutory authorizations and of the authorities currently levying taxes.

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#### NOTES

No attachments were made to Memo No. 31 as was indicated on Page 3.

#### NOTES

Staff Memo No. 32 reproduces the Homestead Exemption laws of the following states: Alabama, Florida, Georgia, Louisiana, Nebraska, North Carolina, Oklahoma, Texas, and Washington.

LOUISIANA CONSTITUTION OF 1921

CC/73 Research Staff

CONSTITUTIONAL DEDICATIONS

December 21, 1973

(NOT RETAINED IN PROPOSED CONSTITUTION UNLESS INDICATED)

Staff Memorandum No. 33

CITATION	RECIPIENT OF DEDICATION	AMOUNT OF DEDICATION	SOURCE OF REVENUE
Art. IV, §2, ¶3 <sup>1</sup>	Royalty Road Fund	10% of royalties received by state to the credit of the parish from which production occurs	Royalties
Art. IV, §2(c) (1) Art. VI, §23(f)	Long Range Highway Fund	\$12,500,000 annually	Royalties
Art. IV, §2(c) (2) Art. VI, §23(f)	Long Range Highway Fund	\$2,500,000 annually	Leases and Bonuses
Art. IV, §2(d) <sup>2</sup>	Tidelands Escrow Fund	(1) Amount sufficient to purchase and retire in advance of maturity the callable bonds of the state and its agencies (balance remaining invested by state treasurer to end of calendar year); (2) At end of calendar year amount sufficient to pay bonded indebtedness of state and its agencies for the next calendar year is set aside; (3) Thereafter, no more than 10% of fund or up to \$10,000,000 remaining on last day of calendar year may be appropriated by legislature for capital improvements.	Tidelands mineral leases
Art. VI, §22(a) Art. VI, §23(a)	Long Range Highway Fund	All of proceeds	4 cents per gallon gasoline tax and 1 cent per gallon gasoline tax

CITATION	RECIPIENT OF DEDICATION	AMOUNT OF DEDICATION	SOURCE OF REVENUE
Art. VI, §22(g) (1)	[State Highway Fund No. 2] (1) St. Charles Parish (2) St. John the Baptist Parish	(1) \$ 50,000 annually (2) \$ 50,000 annually	Vehicle license tax collected in the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany
Art. VI, §22(g) (2)	[State Highway Fund No. 2] Causeway to South Terminal Lake Pontchartrain	\$200,000 annually until 1982	Vehicle license taxes collected in the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany
Art. VI, §22(g) (3)	[State Highway Fund No. 2] Construction and Improvement U. S. Highway #51	\$300,000 annually until 1982	Vehicle license taxes collected in the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany
Art VI, §22(g) (4)	[State Highway Fund No. 2] (1) Mississippi River Bridge Authority (2) Special Reserve for St. Tammany and Jefferson Parishes to supplement tolls from expressway	(1) 50% of surplus monies remaining in State Highway Fund no. 2 after dedications of (1) Art. VI, §22(g)(1), (2) Art. VI, §22(g) (2), and (3) Art. VI, §22(g)(3) (2) Same as (1) immediately above	Vehicle license taxes collected in the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany

CITATION	RECIPIENT OF DEDICATION	AMOUNT OF DEDICATION	SOURCE OF REVENUE
Art. VI, §23(b) Art. VI-A, §5	(1) Long Range Highway Fund (2) Board of Commissioners of Lake Charles Harbor and Terminal District (3) Board of Commissioners of the Port of New Orleans (4) General Highway Interest and Bond Redemption Fund	(1) 1/2 of proceeds (2) 1/20 of proceeds (3) (a) 9/20 of proceeds for retirement of bonds; (b) \$500,000 annually shall continue after retirement of bonds (4) Balance to General Highway Interest and Bond Redemption Fund	1 cent per gallon gasoline tax
(1) Art. VI, §23(c) (2) Art. VI, §23(d) (3) Art. VI, §23(e)	Long Range Highway Fund	(1) all of proceeds (2) all of proceeds (3) all of proceeds	(1) use fuel tax (2) taxes levied upon lubricating oil (3) vehicle license taxes collected in all parishes except Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany
Art. X, §1 <sup>3</sup>	(1) Governing authority of parish in which severance occurs (2) State General Fund	(1) 75% of proceeds of severance tax on timber severed within a parish (2) Balance to State General Fund	Severance tax on timber
Art. X, §10B <sup>4</sup>	Revenue Sharing Fund	\$80,000,000 annually	State General Fund
Art. X, § 21 <sup>5</sup>	Governing authority of parish in which severance occurs	(1) 1/3 of proceeds of severance tax on sulphur not to exceed \$100,000 to any parish in any year (any amount due on sulphur included within \$200,000 limit to any parish of (2) immediately below)	(1) Severance tax on sulphur (2) Severance tax on oil, gas, or other minerals or any natural resources severed from the soil or water

CITATION	RECIPIENT OF DEDICATION	AMOUNT OF DEDICATION	SOURCE OF REVENUE
Art. X, §21 <sup>5</sup> (Continued from page 3)		(2) 1/5 of proceeds of severance tax on oil, gas, or other minerals or any natural resources severed from the soil or water not to exceed \$200,000 to any parish for any year	(Continued from page 3)
Art. X-A, §3	Confederate veterans and their widows	Amount sufficient for pensions authorized by Art. XVIII, §3	State General Fund
Art. X-A, §4	Louisiana State University	\$1,000,000 annually	State General Fund
Art. XII, §14	Public School Fund	Minimum of \$10,000,000 annually or balance of Severance Tax Fund after (a) expenses of collection of severance taxes not to exceed \$500,000 and (b) expenses of supplying free textbooks, library books, and other school supplies	Severance taxes (Severance Tax Fund)

<sup>1</sup>Committee Proposal 15, §4(D) dedicates 1/10 of royalties from mineral leases on state owned property to governing authority of parish in which severance occurs. Committee Proposal 34, §8 defines pertinent terms as used in Committee Proposal 15, §4(D) and excludes royalties from Russell Sage Wildlife and Game Refuge.

<sup>2</sup>Committee Proposal 34, §10 dedicates offshore mineral revenues to purchase, retirement, and payment in advance of maturity bonded indebtedness of the state (any balance to be invested); if funds not expended within one year, then legislature may appropriate for capital improvements or for purchase of land 10% of balance, not to exceed \$10,000,000 annually.

<sup>3</sup>Committee Proposal 15, §4(D) dedicates 3/4 of timber severance tax to governing authority of parish in which severance occurs.

<sup>4</sup>Committee Proposal 26, §6(B) allocates annually \$90,000,000 from State General Fund to Revenue Sharing Fund.

<sup>5</sup>Committee Proposal 15, §4(D) dedicates to the governing authority of parish in which severance occurs 1/3 of sulphur severance tax and 1/5 of the severance tax on all other natural resources severed from the soil or water, but the amount of severance tax on sulphur so remitted shall not exceed \$100,000 to any parish for any year and the amount of severance tax on all other natural resources except timber severed from the soil or water so remitted shall not exceed \$500,000 to any parish for any year.

## II. B. Subcommittee Staff Memoranda

CC/73 Research Staff

Subcommittee on Revenue,  
Other Than Property Taxes  
May 4, 1973

Staff Memorandum No. 1

### ALTERNATIVE PROPOSAL

Power to tax. The power to tax shall be vested in the legislature and shall never be surrendered, suspended or contracted away.

Income tax. The power to tax incomes is restricted to the state.

Comment: Analysis of the following clauses:

- 1) All taxes shall be uniform upon the same class...

Arguments for uniformity clause:

- a) Taxpayer interest would receive the strongest protection;
- b) guarantees that comparable subjects be treated alike for tax purposes;
- c) tax rates which might be discriminatory or excessively high would be in effect prohibited by a uniformity clause.

Arguments against uniformity clause:

- a) Such clauses create confusion in judicial interpretation;
- b) protection to taxpayers from discriminatory taxation adequately is provided under traditional guarantees of "due process" and "equal protection" clauses of federal constitution.

Since "due process" and "equal protection" clauses of federal constitution protect the

taxpayers, a state constitutional uniformity clause is unnecessary. The Louisiana State Supreme Court has ruled that the uniformity clause applies to property taxes only.

- 2) ...shall be levied and collected for public purposes only.

Once again the taxpayers are protected by "due process" and "equal protection" clauses of the federal constitution.

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CC/73 Research Staff

Subcommittee on Revenue,  
Other Than Property Taxes  
May 4, 1973

Staff Memorandum No. 2

RE: Whether license tax on automobiles should be imposed by constitutional provision

There is no reason for having a specific tax within the constitution. If the legislature is granted the general power to tax, a specific provision is not necessary.

Research also indicates the following:

- 1) No other states have similar constitutional provision;

- 2) The State of Louisiana would have collected \$29,599,000 additional license plate taxes in fiscal year 1971-72 if Louisiana's tax had been at the average rate of that imposed by statute in all states;

- 3) In conclusion, Louisiana, by constitutional provision, is restricting its tax base by imposing limitation on legislative power to tax at a rate exceeding three dollars (\$3.00) per automobile used for private purposes.

CC/73 Research Staff

Subcommittee on Revenues  
Other Than Property Taxes

May 8, 1973

Staff Memorandum No. 3

RE: What would be the results of leaving the Royalty Road Fund out of the constitution?

If the Royalty Road Fund were left out of the constitution, the ten per cent (10%) dedication would be eliminated. However, it would not be difficult to overcome this. First of all, it could be provided that all necessary provisions eliminated from the constitution would have to be placed in the statutes. The second alternative would be to provide for a statutory dedication ~~just~~<sup>or</sup> for an appropriation to be made to the parishes; however, either would be through the discretion of the legislature.

CC/73 Research Staff

Subcommittee on Revenues  
Other Than Property Taxes

May 8, 1973

Staff Memorandum No. 4

RE: Whether there should be included in the new constitution a provision regarding the practice of forestry.

The legislature may do anything not prohibited by the federal or state constitutions, including enacting laws relative to the practice of forestry. Therefore no specific provision regarding the practice of forestry is necessary in the new constitution. By its general grant of power, the legislature could create a Forestry Commission, with statutory provisions governing its composition and operation.

The provision regarding taxation is deleted in view of the fact that under its general power of taxation, the legislature may tax forest products or the forestry industry or impose or authorize local governing authorities to impose acreage or other taxes.

CC/73 Research Staff  
Subcommittee on Revenues  
Other Than Property Taxes  
May 8, 1973  
Staff Memorandum No. 5

CC/73 Research Staff  
Subcommittee on Revenues,  
Other Than Property Taxes  
May 9, 1973  
Staff Memorandum No. 6

RE: Inheritance and Donation Taxes

Under Article X, Section 1 of the Louisiana Constitution of 1921, the legislature is vested with the general power of taxation. Because of this, it is not necessary to have a provision for inheritance and donation taxes in the constitution. The only purpose for having such a provision would be to insure that the exemptions granted and the maximum rates established will not be eliminated or increased by the legislature.

As provided by Article X, Section 7 of the present constitution, donations and legacies to charitable, religious, or educational institutions located within the state are exempt from such taxes. Also, donations and legacies to charitable, religious, or educational institutions located in another state or territory of the United States are exempt from such taxes provided that the laws of the state or territory wherein such institutions are located contain reciprocal provisions allowing similar exemptions in respect to donations and legacies made to such institutions in other states or territories of the United States.

In the Louisiana Revised Statutes of 1950, Title 47, Section 2462, as amended, the following exemptions are provided:

- (1) To a direct descendant by blood, or affinity, ascendant or surviving spouse of decedent to the amount of five thousand dollars (\$5,000.00);
- (2) To a collateral relation of decedent, (including brothers or sisters by affinity) to the amount of one thousand dollars (\$1,000.00);
- (3) To a stranger, to the amount of five hundred dollars (\$500.00);
- (4) To charitable, religious, or educational institutions located within the State of Louisiana on all legacies and donations; and
- (5) To the State of Louisiana or to any incorporated municipality or other political subdivisions thereof, for exclusively public purposes, on all legacies and donations.

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RE: Suggestion for alternative proposal: same wording except change two-thirds vote to majority vote

The two-thirds rule must be carefully considered because of its impact on future tax legislation. With this in mind, the committee should weigh the advantages and disadvantages of such a proposal.

The greatest advantage of the two-thirds rule is in preventing the legislature from enacting tax laws which could place too much of a tax burden on the taxpayers. Accordingly, the two-thirds rule prevents the legislature from passing tax laws too hastily and without serious consideration.

However, there are several disadvantages of the two-thirds rule. First, the rule makes it difficult for the legislature to pass tax laws. This ties the state to its present tax structure which may be inadequate to meet future needs. With declining oil and gas revenues, this problem may become drastic in the near future.

Secondly, the two-thirds rule makes it more difficult for the state to raise taxes to take care of current operating expenses, which means the state will either have to go further into debt or cut back on the public goods and services it provides the citizens. Furthermore, as incomes increase, the citizens will demand better schools, highways, recreational facilities, and government. These public goods and services can only be provided if the legislature has the flexibility to meet the citizen's demands.

Finally, it should be mentioned that Louisiana is the only state with the two-thirds rule. Evidently, other states feel that this rule is too restrictive.

The advantages must be analyzed with the disadvantages. What is an advantage can be viewed as a disadvantage, and disadvantages can be viewed as advantages. But the question still remains, "should the legislature be given the flexibility and power to adjust to the will of the people?"

2

# III. Proposals

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For disposition of the mineral royalties

6 PROPOSED SECTION:

7 Article \_\_\_\_\_, Section \_\_\_\_\_. Royalty Road Fund  
8 Section \_\_\_\_\_. Ten per cent of the royalties  
9 received by the state from any mineral lease shall be  
10 placed in a special fund to the credit of the parish  
11 from which the mineral was severed. This fund shall  
12 be administered by the state treasurer and used exclu-  
13 sively by the Department of Highways to build, construct,  
14 and maintain transportation facilities in such parish.

15  
16 Source: La. Const. Art. IV, § 2 (13).

17  
18 Comment: Provides for creation of the Royalty Road Fund  
19 with no substantive change from the present law.

CC-269

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For dedication of revenue to local governing authorities.

6 PROPOSED SECTION:

7 Article \_\_\_\_\_, Section \_\_\_\_\_. Resource Severance Fund  
8 Section \_\_\_\_\_. Seventy-five per cent of the  
9 proceeds from the timber severance tax and ten  
10 per cent of the royalties received by the state  
11 from any mineral lease shall be remitted to the  
12 governing authority of the parish from which the  
13 natural resource was severed.

14  
15 Source: La. Const. Art. X, § 1 and Art. IV, § 2 (13).

16  
17 Comment: Provides for creation of Resource Severance  
18 Fund.

CC-270

1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For dedication of revenues to local governing authorities.

6 PROPOSED SECTION:

7 Article \_\_\_\_\_, Section \_\_\_\_\_. Resource Severance Fund

8 Section \_\_\_\_\_. Three-fourths of the timber severance tax, one-third  
9 of the sulphur severance tax, one-fifth of the tax on all other natural re-  
10 sources, and one-tenth of the royalties from mineral leases granted by the  
11 state shall be remitted to the governing authority of the parish from which  
12 the natural resource was severed, provided that the amount of severance tax  
13 on minerals so remitted not exceed two hundred thousand dollars annually.

14  
15 Source: La. Const. Art. X, §§ 1, 21 and Art. IV, § 2 (13)

16  
17 Comment: Provides for dedication of revenues from severance taxes and  
18 mineral royalties to parishes from which natural resources are severed  
19 with no change from the present law except deletion of limitation on  
20 use of such revenues for transportation purposes.

CC-271

1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For severance tax on natural resources.

6 PROPOSED SECTION:

7 Article \_\_\_\_\_, Section \_\_\_\_\_. Severance Tax

8 Section \_\_\_\_\_. Severance tax shall be the only tax on natural  
9 resources.

10  
11 Source: La. Const. of 1921. Article X, § 21

12  
13 Comment: Provides for limitation of a tax on natural resources with no  
14 substantive change in the present law. The remainder of Art. X, § 21  
15 is reinstated in substance in another proposal except for the \$1.03  
16 ceiling on sulphur.

CC-272

1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For limitation on tax power of political subdivisions.

6 PROPOSED SECTION:

7 Article \_\_\_\_\_, Section \_\_\_\_\_. Subdivisions of State; Limitation on  
8 Taxing Power

9 Section \_\_\_\_\_. Political subdivisions of the state shall not levy  
10 taxes on income, natural resources, or motor fuel, nor shall any  
11 occupational license tax levied by any political subdivision be  
12 greater than that imposed by the state.

13  
14 Source: La. Const., Art. X, § 5, 8, 21 and Art. XIV, § 24.1  
15  
16 Comment: Provides limitation on taxing power of political subdivisions  
17 with no substantive in the present law except that tax on income is  
18 added, and occupational licenser tax on alcoholic beverages (Art. X,  
19 § 8) is deleted.

CC- 273  
1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For limitation on legislative power to tax.

6 PROPOSED SECTION:

7 Article \_\_\_\_, Section \_\_\_\_. Power to tax; Limitation  
8 Section \_\_\_\_. State taxes shall not be levied or increased unless  
9 by recorded vote of two-thirds of the members of the legislature.

11 Source: La. Const. Art. X, § 1(a) and Art. III, § 25.1

12  
13 Comment: Provides for a two-thirds vote on all tax measures with no  
14 substantive change in the present law.

CC-274  
1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by

4 A PROPOSAL

5 For dedication of royalties from mineral leases granted by state to the  
6 Royalty Fund.

7 PROPOSED SECTION:

8 Article \_\_\_\_, Section \_\_\_\_. Royalty Fund  
9 Section \_\_\_\_. Ten percent of the royalties  
10 from any mineral lease granted by the state shall be remitted to the  
11 governing authority of the parish from which the mineral was severed.

13 Source: La. Const., Art. IV, § 2 (13).

14  
15 Comment: Provides for creation of a Royalty Fund with no substantive  
16 change from the present law except the requirement that such funds  
17 be used for transportation purposes is deleted.

CC-1140  
1 Constitutional Convention of Louisiana of 1973

2 DELEGATE PROPOSAL NUMBER

3 Introduced by Delegate Champagne

4

5 A PROPOSAL

6  
7 For prohibiting the state from levying a property tax.  
8 Be it adopted by the Constitutional Convention of Louisiana  
9 of 1973:  
10  
11 Article XV, Section 23. State Property Tax Pro-  
12 hibited  
13 Section 23. No state ad valorem tax on property  
14 shall be enacted.

CC-1151  
1 Constitutional Convention of Louisiana of 1973

2 COMMITTEE PROPOSAL NUMBER

3 Introduced by Delegate Rayburn, Chairman, on behalf of  
4 the Committee on Revenue, Finance and Taxation, and  
5 Delegates Alario, Badeaux, Brown, Champagne, Chehardy,  
6 Conroy, De Blieux, Edwards, Fontenot, Lowe, McDaniel,  
7 Mauberret, Mire, Newton, Nunez, Planchard, Roemer,  
8 Schmitt, Slay, Smith, Triche, and Winchester

9  
10 A PROPOSAL

11  
12 Making provisions for property taxation.  
13 Be it adopted by the Constitutional Convention of Louisiana  
14 of 1973:

15  
16 ARTICLE XI. REVENUE AND FINANCE

17 Section 1. Property Taxation

18 Section 1. All property subject to ad valorem taxation  
19 shall be listed on the assessment rolls at its assessed  
20 valuation which shall be the percentage of its fair market  
21 value as provided by law. Such percentage of fair market  
22 value shall be uniform throughout the state upon the same  
23 classes of property but shall not exceed twenty-five percent  
24 of fair market value. For purposes of taxation property  
25 may be divided into classes as determined by the legislature  
26 and assessed at a percentage of fair market value provided  
27 that the legislature may provide that agricultural,  
28 horticultural, and timber lands be assessed for the purpose  
29 of taxation according to its use value rather than its  
30 market value. All property subject to taxation shall be  
31 reappraised at intervals of not more than five years.

32 Section 2. Assessment of Property

33 Section 2. Except as to such categories of property  
34 as the legislature may require that the Louisiana Tax  
35 Commission determine fair market value, fair market value

CC- 1151  
1 and use value where appropriate shall be determined by  
2 the assessors in the respective parishes, subject to  
3 review by the governing authority of each parish, by the

4 Louisiana Tax Commission, and the courts in accordance  
5 with procedure established by law.

6 Section 3. Exemptions

7 Section 3. The following property, and no other,  
8 shall be exempt from taxation: (A) Homesteads. From  
9 state, parish, and special taxes, the homestead, bona  
10 fide, consisting of a tract of land, or two or more  
11 tracts of land with a residence on one tract and a field,  
12 pasture, or garden on the other tract or tracts, not exceed-  
13 ing one hundred and sixty acres, buildings and appurtenances,  
14 whether rural or urban, owned and occupied by every head  
15 of a family, or person having a mother or father, or a  
16 person or persons dependent on him or her for support,  
17 in the full amount of three thousand dollars of the assessed  
18 valuation; provided that this exemption shall not extend  
19 to any municipal or city taxes, save and except in Orleans  
20 Parish, and shall in Orleans Parish apply to the state,  
21 the general city, the school, the levee, and levee board  
22 taxes. The exemption of homesteads shall extend to the  
23 surviving spouse, or minor child or children, of a deceased  
24 owner and to the bona fide homestead when occupied as  
25 such and title thereto is in either husband or wife, provided  
26 that the exemption shall not be extended to more than one  
27 homestead owned by the husband or wife. An additional  
28 \$2,000 homestead exemption shall be provided for veterans.  
29 An additional \$2,000 homestead exemption for all other  
30 than veterans upon reaching age 65 shall be provided.  
31 Applications shall be made yearly and the term veteran  
32 and any other explanation of this matter shall be as  
33 defined by the legislature.

34 (B) All public property.

35

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1 (C) Places of religious worship; property owned by  
2 religious denominations and used as residences for ministers;  
3 places of burial, and property held by any religious  
4 denomination or nonprofit corporation or organization for  
5 burial purposes, but the exemption shall not apply to  
6 unsold lots, crypts, or places for burial, nor shall it  
7 apply to lands held for development as places for burial,  
8 when so held for profit; places devoted to charitable  
9 undertakings, including that of such organizations as  
10 lodges and clubs organized for charitable and fraternal  
11 purposes and practicing the same; schools and colleges;  
12 nonprofit hospitals; but the exemption shall extend only  
13 to property, and grounds thereunto appurtenant, used for  
14 the above mentioned purposes, and not leased for profit  
15 or income.

16 (D) Cash on hand or deposit; obligations secured by  
17 mortgage on property located in Louisiana and the notes

18 or other evidence thereof; loans by life insurance companies  
19 to policy holders, if secured solely by their policies; the  
20 legal reserve of domestic life insurance companies; loans  
21 by homestead or building and loan associations to their  
22 members, if secured solely by stock of said associations;  
23 debts due for merchandise or other articles of commerce or  
24 for services rendered; obligations of the state or its political  
25 subdivisions; all personal property used in the home or on  
26 loan in a public place; agricultural products while owned  
27 by the producer, agricultural machinery and other implements  
28 used exclusively for agricultural purposes, and all animals  
29 on the farm, and property belonging to agricultural fair  
30 associations; all property used for cultural or civic activities  
31 and not operated for profit to the owners; all oceangoing  
32 vessels engaged in international trade and domiciled in  
33 Louisiana ports, but this exemption shall not apply to  
34 harbor, wharf, shed, and other port dues, and no vessel  
35 operated in the coastal trade of the continental United States

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1 shall be within the exemption herein granted; boats using  
2 gasoline as motor fuel; commercial vessels used for gathering  
3 seafood; and rights-of-way granted to the State Department  
4 of Highways.

5 (E) From state, parish, and special taxes, all motor  
6 vehicles used on the public highways of this state, provided  
7 that this exemption shall not extend to any general or  
8 special tax levied by the governing authority of any municipi-  
9 pality, or district created by any such municipality, unless  
10 the governing authority thereof shall provide for such  
11 exemption by ordinance or resolution.

12 (F) The State Board of Commerce and Industry, with  
13 the approval of the governor, and the local governing  
14 authority may enter into contracts for the exemption of  
15 any new manufacturing establishment already existing in  
16 the state upon such terms and conditions as the board, with  
17 the approval of the governor, and the local governing authority  
18 may deem to be to the best interest of the state. The  
19 terms "manufacturing establishment" and "addition" or  
20 "additions" as used in this Paragraph mean a new plant or  
21 establishment or an addition or additions to any existing  
22 plant or establishment which engages in the business of  
23 working raw materials into wares suitable for use or which  
24 gives new shapes, new qualities, or new combinations to  
25 matter which already has gone through some artificial  
26 process. No exemption shall be contracted for any new manu-  
27 facturing establishment in any locality where there is a  
28 manufacturing establishment actually engaged in the manufacture  
29 of the same or closely competitive articles without the  
30 written consent of the owner of such existing manufacturing

31 establishment to be attached to and identified with the  
32 contract of exemption. No exemption from taxes shall be  
33 granted under the authority of this Paragraph for a longer  
34 initial period than five calendar years from the date of  
35 the execution of the contract of exemption or five calendar

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1 years from the date of the completion of the construction  
2 as described in the contract for tax exemption, the  
3 commencement of the exemption upon either of such dates to  
4 be specified in the contract at the discretion of the State  
5 Board of Commerce and Industry and subject to approval by  
6 the governor. Upon application within ninety days  
7 before the expiration of the initial period of five years,  
8 and upon proper showing of a full compliance with the con-  
9 tract of exemption by the contractee, any exemption granted  
10 under the authority of this subsection shall be renewed  
11 for an additional period of five calendar years. Any such  
12 exemption shall ipso facto cease upon violation of the terms  
13 and conditions of the contract which granted the same.  
14 All property exempted, in accordance with the provisions of  
15 the paragraph shall be listed on the assessment rolls and  
16 submitted to the Louisiana Tax Commission, but no taxes shall  
17 be collected thereon during the period of exemption. On  
18 January first following the expiration of any contract of  
19 exemption entered into under this paragraph, and for each  
20 year thereafter, all property exempted by any such contract  
21 shall be listed on the assessment rolls and shall be  
22 assessed at the end of the tax exemption period at not  
23 more than the average assessment ratio on all other property  
24 assessed by the assessor in the parish in which the property  
25 is located. To determine the assessment ratio of locally  
26 assessed property, the Louisiana Tax Commission shall  
27 annually determine in each parish the assessed value of all  
28 locally assessed property in relation to actual value. All  
29 taxes imposed upon such property shall be collected in the  
30 manner provided by law.

31 (G) (1) All raw materials, goods, commodities, and  
32 articles imported into this state from outside of the conti-  
33 nental United States:

34 (a) So long as such imports remain upon the public  
35 property of the port authority or docks of any common carrier

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1 where such imports first entered this state, or  
2 (b) So long as any such imports (other than minerals  
3 and ores of the same kind as any mined or produced in this  
4 state and manufactured articles) are held in this state  
5 in the original form in bales, sacks, barrels, boxes,  
6 cartons, containers, or other original packages, and raw

7 materials held in bulk as all or a part of the new material  
8 inventory of manufacturers or processors, solely for manu-  
9 facturing or processing; or

10 (c) So long as any such imports are held by an importer  
11 in any public or private storage in the original form in  
12 bales, sacks, barrels, boxes, cartons, containers, or  
13 other original packages and agricultural products in bulk.  
14 This shall not apply to a retail merchant holding such  
15 imports as part of his stock in trade for sale at retail.

16 All such property whether entitled to exemption or  
17 not shall be reported to the proper taxing authority on  
18 the forms required by law.

19 (2) All raw materials, goods, commodities, and other  
20 articles being held upon the public property of a port  
21 authority or docks of any common carrier or in a warehouse,  
22 grain elevator, dock, wharf, or public storage facility  
23 in this state for export to a point outside the continental  
24 United States.

25 All such property entitled to exemption shall be  
26 reported to the proper taxing authority on the forms  
27 required by law.

28 (3) All goods, commodities, and personal property  
29 in public or private storage while in transit through  
30 this state which is (a) moving in interstate commerce  
31 through or over the territory of the State of Louisiana, or  
32 (b) which is in public or private storage within the State  
33 of Louisiana having been shipped thereto from outside of  
34 the State of Louisiana for storage in transit to a final  
35 destination outside of the State of Louisiana, whether such

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1 destination was specified when transportation begins or  
2 afterward. All such property whether entitled to exemption  
3 or not shall be reported to the proper taxing authority  
4 on the forms required by law.

5 Section 4. Adjustment of Ad Valorem Tax Millages

6 Section 4. The amount of taxes collected from a  
7 particular millage levied by any taxing authority shall  
8 not be increased or decreased because of the method of  
9 assessing property at a uniform ratio of assessment to  
10 value as provided in Article XI, Section 1, or because  
11 of any subsequent change in percentage of fair market  
12 value established by the legislature for assessment and  
13 it shall be the mandatory duty of all public bodies that  
14 levy millage to adjust the millage proportionate to the  
15 adjustments in assessment values so as to produce the  
16 same total dollar amount of revenue. Nothing provided  
17 herein shall be construed to prohibit the respective  
18 municipalities, parishes, or other taxing districts or  
19 authorities from collecting a larger dollar amount of ad  
20 valorem taxes by means of levying additional millages in

21 the manner provided by law, by additional property being  
22 placed on their respective tax rolls, or by reason of in-  
23 creased property values due to economic conditions, and  
24 provided further that this provision shall not be construed  
25 so as to diminish the security of outstanding bonds.

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CC-1154

1 Constitutional Convention of Louisiana of 1973  
2 COMMITTEE PROPOSAL NUMBER  
3 Introduced by Delegate Rayburn, Chairman, on behalf of  
4 the Committee on Revenue, Finance and Taxation, and  
5 Delegates Alario, Badeaux, Brown, Champagne, Chehardy,  
6 Conroy, De Blicux, Edwards, Fontenot, Lowe, McDaniel,  
7 Mauberret, Mire, Newton, Nunez, Planchard, Roemer,  
8 Schmitt, Slay, Smith, Triche, and Winchester

9  
10 A PROPOSAL

11 Making provisions for property taxation.  
12 Be it adopted by the Constitutional Convention of Louisiana  
13 of 1973:

14  
15  
16 ARTICLE XI. REVENUE AND FINANCE

17 Section 1. Assessment of Property; Classification;  
18 Assessors; Right of Taxpayer

19 Section 1. (A) All property subject to ad valorem  
20 taxation shall be listed on the assessment rolls at its  
21 assessed valuation which shall be the percentage of its  
22 fair market value as otherwise provided in this constitution;  
23 such percentage of fair market value shall be uniform  
24 throughout the state upon the same classes of property.

25 (B) The classifications of property subject to ad  
26 valorem taxation and the percentage of fair market value  
27 applicable to each such classification for the purpose of  
28 determining assessed valuation are as follows:

CLASSIFICATIONS:	PERCENTAGES:
1. All land . . . . .	5%
2. Improvements on residential property . .	10%
3. All other property . . . . .	15%

33 (C) The assessor within each parish and the assessors  
34 within Orleans Parish shall determine the fair market value  
35 of all property subject to taxation within their respective

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1 parishes and districts except public service properties which  
2 shall be valued and assessed by the Louisiana Tax Commission.

3 (D) Any taxpayer shall have the right to test the  
4 correctness of his assessment before the Louisiana Tax  
5 Commission or in the courts at the domicile of the assessing  
6 authority, or as may be otherwise directed by law.

7 Section 2. Homestead Exemption; Other Property  
8 Exemptions

9 Section 2. The following property shall be exempt  
10 from taxation: (A) Homesteads. From state, parish, and  
11 special taxes, the homestead, bona fide, consisting of a  
12 tract of land, or two or more tracts of land with a residence  
13 on one tract and a field, pasture, or garden on the other  
14 tract or tracts, not exceeding one hundred and sixty acres,  
15 buildings and appurtenances, whether rural or urban, owned  
16 and occupied by any person, in the full amount of five  
17 thousand dollars of the assessed valuation; provided that  
18 this exemption shall not extend to any municipal or city  
19 taxes except the following: (1) in Orleans parish this  
20 exemption shall apply to the state, the general city, the  
21 school, the levee, and levee board taxes; (2) this exemption  
22 shall apply to any taxes levied for school purposes by  
23 city school boards. The exemption of homesteads shall  
24 extend to the surviving spouse, or minor child or children,  
25 of a deceased owner and to the bona fide homestead when  
26 occupied as such and title thereto is in either husband or  
27 wife, provided that the exemption shall not be extended  
28 to more than one homestead owned by the husband or wife.

29 (B) Additional property may be exempted from taxation  
30 if authorized by a two-thirds vote of the elected members of  
31 both houses of the legislature.

32 Section 3. Taxes, Obligations, and Other Provisions  
33 of Constitution Prior to Adoption of New Constitution  
34 Section 3. The provisions of Article XI, Section 2,  
35 shall in no way be construed or applied in such a manner

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1 as to: (a) invalidate taxes authorized and imposed prior  
2 to the effective date hereof; or (b) impair the obligations,  
3 validity, or security of any bonds or other debt obligations  
4 authorized prior to such date; or (c) make inapplicable any  
5 other provisions of this constitution or laws of this  
6 state, in force and effect on such effective date, to the  
7 extent that such provisions grant homesteads exemption from  
8 taxation.

9 Section 4. Adjustment of Ad Valorem Tax Millages

10 Section 4. The amount of taxes collected from a  
11 particular millage levied by any taxing authority on any  
12 property in the state shall not be increased because of  
13 the method of assessing property at a uniform ratio of  
14 assessment to value as provided in Article XI, Section 1,  
15 and it shall be the mandatory duty of all public bodies  
16 that levy millage to adjust the millage proportionate to  
17 the adjustments in assessment values so as to produce the  
18 same dollar amount of revenue. Nothing provided herein  
19 shall be construed to prohibit the respective municipalities,  
20 parishes, or other taxing districts or authorities from

21 collecting a larger dollar amount of ad valorem taxes  
22 by means of levying additional millages in the manner  
23 provided by law, by additional property being placed on  
24 their respective tax rolls or by reason of increased property  
25 values due to economic conditions, and provided further  
26 that this provision shall not be construed so as to diminish  
27 the security of outstanding bonds.

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CC- 1155

1 Constitutional Convention of Louisiana of 1973  
2 DELEGATE PROPOSAL NUMBER  
3 Introduced by Delegate Rayburn, Chairman, on behalf of  
4 the Committee on Revenue, Finance and Taxation

6 A PROPOSAL

8 Making provisions for property taxation.

9 Be it adopted by the Constitutional Convention of  
10 Louisiana of 1973:

12 ARTICLE XI. REVENUE AND FINANCE

13 Section 1. Assessment of Property; Classification;  
14 Assessors; Right of Taxpayer

15 Section 1. (A) All property subject to ad valorem  
16 taxation shall be listed on the assessment rolls at its  
17 assessed valuation which shall be a percentage of its  
18 fair market value; such percentage of fair market value  
19 shall be uniform throughout the state upon the same class  
20 of property.

21 (B) The classifications of property subject to ad  
22 valorem taxation and the percentage of fair market value  
23 applicable to each such classification for the purpose of  
24 determining assessed valuation are as follows:

CLASSIFICATIONS:	PERCENTAGES:
26 1. All land . . . . .	5%
27 2. Improvements on residential property . . .	10%
28 3. All other property . . . . .	15%

29 (C) Assessors shall determine the fair market value  
30 of all property subject to taxation within their respective  
31 parishes and districts except public service properties  
32 which shall be valued by the Louisiana Tax Commission.

33 (D) Any taxpayer shall have the right to test the  
34 correctness of his assessment before the Louisiana Tax  
35 Commission subject to review by the district court at the

CC-1155

1 domicile of the assessing authority.

2 Section 2. Homestead Exemption; Other Property Exemption:

3 Section 2. The following property shall be exempt  
4 from taxation: (A) Homesteads. From state, parish, and  
5 special taxes, the homestead, bona fide, consisting of a  
6 tract of land, or two or more tracts of land with a residence

7 on one tract and a field, pasture, or garden on the other  
8 tract or tracts, not exceeding one hundred and sixty acres,  
9 buildings and appurtenances, whether rural or urban, owned  
10 and occupied by any person, in the full amount of five  
11 thousand dollars of the assessed valuation; provided that  
12 this exemption shall not extend to any municipal or city  
13 taxes except the following: (1) in Orleans Parish this  
14 exemption shall apply to the state, the general city, the  
15 school, the levee, and levee board taxes; (2) to any  
16 municipal or city taxes levied for school purposes. The  
17 exemption of homesteads shall extend to the surviving  
18 spouse or minor child or children of a deceased owner and  
19 to the bona fide homestead when occupied as such and title  
20 thereto is in either husband or wife, provided that this  
21 exemption shall not be extended to more than one homestead  
22 owned by the husband or wife.

23 (B) Additional property may be exempted from taxation  
24 if authorized by a two-thirds vote of the elected membership  
25 of each house of the legislature.

26 Section 3. No Impairment of Existing Taxes or Obligations

27 Section 3. The provisions of Article XI, Section 2,  
28 in no way shall be construed or applied in such a manner as  
29 to: (a) invalidate taxes authorized and imposed prior to  
30 the adoption of this constitution; or (b) impair the obligations  
31 validity, or security of any bonds or other debt obligations  
32 authorized prior to the adoption of this constitution.

33 Section 4. Adjustment of Ad Valorem Tax Millages

34 Section 4. The amount of taxes collected by any  
35 taxing authority in the state shall not be increased because

CC-1155

1 of the method of assessing property at a uniform ratio of  
2 assessment to value as provided in Article XI, Section 1,  
3 and it shall be the mandatory duty of all taxing authorities  
4 to adjust millages proportionate to adjustments in assessment  
5 values so as to produce the same dollar amount of revenue.  
6 Nothing provided herein shall be construed to prohibit any  
7 taxing authority from collecting a larger dollar amount  
8 of ad valorem taxes by means of the following: (a) by  
9 levying additional millages as provided by law; (b) by  
10 placing additional property on the tax rolls; or (c) by  
11 reason of increased property values due to economic conditions.  
12 Nothing contained herein shall be construed to diminish  
13 the security of outstanding bonds.

-3-

CC- 1155 (as amended)

1 Constitutional Convention of Louisiana of 1973  
2 DELEGATE PROPOSAL NUMBER  
3 Introduced by Delegate Rayburn, Chairman, on behalf of  
4 the Committee on Revenue, Finance and Taxation

A PROPOSAL

Making provisions for property taxation.

Be it adopted by the Constitutional Convention of Louisiana of 1973:

ARTICLE XI. REVENUE AND FINANCE

Section 1. Assessment of Property; Classification; Assessors; Right of Taxpayer

Section 1. (A) All property subject to ad valorem taxation shall be listed on the assessment rolls at its assessed valuation which shall be a percentage of its fair market value; such percentage of fair market value shall be uniform throughout the state upon the same class of property.

(B) The classifications of property subject to ad valorem taxation and the percentage of fair market value applicable to each such classification for the purpose of determining assessed valuation are as follows:

CLASSIFICATIONS:	PERCENTAGES:
1. All land . . . . .	5%
2. Improvements on residential property . . .	10%
3. All other property . . . . .	15%

(C) Assessors shall determine the fair market value of all property subject to taxation within their respective parishes and districts except public service properties which shall be valued by the Louisiana Tax Commission.

(D) Any taxpayer shall have the right to test the correctness of his assessment before the Louisiana Tax Commission subject to review by the district court at the

CC-1155 (as amended)

domicile of the assessing authority.

Section 2. Homestead Exemption; Other Property Exemptions

Section 2. The following property shall be exempt from taxation: (A) Homesteads. From state, parish, and special taxes, the homestead, bona fide, consisting of a tract of land, or two or more tracts of land with a residence on one tract and a field, pasture, or garden on the other tract or tracts, not exceeding one hundred and sixty acres, buildings and appurtenances, whether rural or urban, owned and occupied by any person, in the full amount of five thousand dollars of the assessed valuation. However, veterans and persons sixty-five years or older shall be provided with a homestead exemption of six thousand dollars of the assessed valuation. No exemption shall extend to any municipal or city taxes except the following: (1) in Orleans Parish this exemption shall apply to the state, the general city, the school, the levee, and levee board taxes; (2) to any municipal or city taxes levied for school purposes. The exemption of homesteads shall extend to the surviving spouse or minor child or

children of a deceased owner and to the bona fide homestead when occupied as such and title thereto is in either husband or wife, provided that this exemption shall not be extended to more than one homestead owned by the husband or wife.

(B) Additional property may be exempted from taxation if authorized by a two-thirds vote of the elected membership of each house of the legislature.

Section 3. No Impairment of Existing Taxes or Obligations

Section 3. The provisions of Article XI, Section 2, in no way shall be construed or applied in such a manner as to: (a) invalidate taxes authorized and imposed prior to the adoption of this constitution; or (b) impair the obligations, validity, or security of any bonds or other debt obligations authorized prior to the adoption of this constitution.

Section 4. Adjustment of Ad Valorem Tax Millages

Section 4. The amount of taxes collected by any taxing

CC-1155 (as amended)

authority in the state shall not be increased because of the method of assessing property at a uniform ratio of assessment to value as provided in Article XI, Section 1, and it shall be the mandatory duty of all taxing authorities to adjust millages proportionate to adjustments in assessment values so as to produce the same dollar amount of revenue. Nothing provided herein shall be construed to prohibit any taxing authority from collecting a larger dollar amount of ad valorem taxes by means of the following: (a) by levying additional millages as provided by law; (b) by placing additional property on the tax rolls; or (c) by reason of increased property values due to economic conditions. Nothing contained herein shall be construed to diminish the security of outstanding bonds.

Section 5. Tax Assessor

Section 5. (A) There shall be a tax assessor elected by the qualified electors of each parish in the state, parish of Orleans excepted. His term of office shall be four years and the legislature shall define his duties, fix his compensation, and provide for his election.

(B) There shall be seven assessors in the city of New Orleans, who together shall compose the Board of Assessors for the parish of Orleans. One shall be elected from each municipal district of the city of New Orleans, and they shall be residents of the districts from which they are elected. Their terms shall be four years and they shall be elected at the same time as the municipal officers of the city of New Orleans.

# IV. Selected Correspondence

## A. Chairman's Correspondence

CC.

10683 Ranchwood Drive  
Baton Rouge, La.

April 1, 1973

Dear Senator Rayburn:

I attended the hearing which you chaired yesterday at the State Capitol on property taxes, and I concurred with what you said about the wealthy being tax exempt etc.

I recall that you were one of the few senators who had backbone enough to stand up and be a MAN when the so-called Equal Rights Amendment for women was voted on. For this, I thank you.

The last time the powers-that-be wanted to EQUALIZE us, they wanted to make women the SAME as men. Now, this time they want to EQUALIZE us by making us ALL EQUALLY HOMELESS. In the name of EQUALITY, we are being enslaved!

Thank you for your remarks yesterday, and please see what you can do to remove ALL taxation from our homes.

Sincerely,

Beba Minhinnette (Mrs. V. E.)  
Chairman, Females Opposed to Equality

P. S. As far as leaving the power of taxation to the City Council and School Board is concerned, they would have us in the poor house in a year. The more they spend for schools, the LESS education the children get. The schools are now no more than training grounds for revolution and rebellion. If the school doors closed tomorrow, our nation would be better off than it is today with the type jungle schools we are now being forced to operate. Several weeks ago, our EDUCATED school board heard a staff member say that a good percentage of our high school graduates CAN'T EVEN READ.

Supreme Court  
STATE OF LOUISIANA  
New Orleans  
70112

April 4, 1973



CHIEF JUSTICE  
JOE W. SANDERS  
ASSOCIATE JUSTICES  
FRANK W. SUMMERS  
MACK E. BARRAM  
ALBERT TATE, JR.  
JOHN A. OISON, JR.  
FASCAL P. CALDERO, JR.  
WALTER F. MARCUS, JR.

Senator B. B. Rayburn  
Chairman, Revenue & Taxation, CC/73  
606 Ave. B.  
Bogalusa, Louisiana 70427

Dear Sixty:

For what it is worth, a respected legal authority suggested that I mail to you for use of your research staff the enclosed opinion rendered by the United States Supreme Court on February 22, 1973.

I am looking forward to being with you soon. Be sure to let me feed you coffee (etc.) when you are next in this big sin-loving city.

Warm regards.

Sincerely,

Albert Tate, Jr.

AT/k  
encl.

[Lehnhausen v. Lake Shore Auto Parts Co. and Barrett, County Clerk of Cook County v. Shapiro, 41 Law Week 4289-92 (1973), enclosed, has been omitted.]



Caddo Parish School Board

Post Office Box 37000  
1951 Midway Street

SHREVEPORT, LOUISIANA 71130

Area Code 318  
TELEPHONE 636 0210

April 26, 1973

TO: ALL LOUISIANA STATE LEGISLATORS

The Governor's Revenue Sharing Committee headed by Mayor Moon Landrieu has recently approved a distribution of excess revenue sharing funds for 1973-74 which limits public school boards to excess revenue based on the number of children in school (public, private, and parochial) compared to the total population in the parish. We understand that the Revenue Sharing Committee's report will be submitted to the Governor in the very near future. We also understand that minority reports are being prepared by the School Boards Association, the Assessors' Association, and the Sheriffs' Association.

We are most concerned that the Governor's Revenue Sharing Committee has approved a distribution method of excess funds that appears to be completely illogical and greatly favors large-city municipalities. As you know, the State Revenue Sharing replaces the property tax distribution method from which municipalities received no revenue at all until this current year. Because excess revenue was received by municipalities this year, we understand and agree that they should share in the excess in future years. However, the method of distribution must be on a sound and equitable basis.

In your consideration of this most involved and difficult revenue sharing method, please consider the following factors which we believe to be fair and equitable to all concerned:

1. That the first funds from State Revenue Sharing be dedicated to replace homestead exemption losses, without tying this to the base year 1971-72. An increase in homesteads will not result in an increase of revenues under this formula. This would provide the basis for distribution of the funds.
2. Any excess should be distributed within the parish based on total taxes levied and collected by the various taxing bodies. This method of distributing excess would then be in the same proportion as taxes and revenues from the citizens to the various taxing agencies within the parish.

Please be assured that we have no desire to discriminate against the municipal association or any other taxing body, and we are just as concerned that the public school systems not be discriminated against. Thank you for your consideration of this request.

Yours truly,

Robert E. King  
President



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 17740 A BATON ROUGE LOUISIANA 70814  
TELEPHONE 389 5014

E. L. HENRY  
Chairman  
NORMA A. DUNCAN  
Director of Research

TO: Senator B. B. Rayburn  
Delegate, CC/13

FROM: Research Staff, CC/73

RE: Estimated State Revenue Losses Incurred by Selected State Departments During the Fiscal Year 1970-1971 as a Result of Exemptions, Credits, Allowances, and Refunds.

This memorandum is concerned with the amount of money lost through the granting of exemptions, credits, allowances, and refunds during the fiscal year 1970-1971. The following figures are approximations or estimates taken from memoranda provided by the Louisiana Departments of Revenue, and Commerce and Industry.

Agency	Revenue Loss
Department of Revenue	
Beverage and Tobacco Tax Division	\$ 3,844,500.00
Petroleum Products Tax Division	7,339,300.49
Severance Tax Division	8,260,000.00 <sup>1</sup>
Corporate Income and Franchise <sup>2</sup> Tax Division	
Individual Income Tax Division <sup>3</sup>	
Miscellaneous Tax Division	53,710,000.00
Sales Tax Division	57,933,000.00
Occupational License Tax Division <sup>4</sup>	

I appreciate your consideration in this matter.

Very truly yours,

HUDSON, POTTS & BERNSTEIN

*B. Roy Luizza*  
B. Roy Luizza

Department of Commerce and Industry	Revenue Loss
Homestead Exemptions	90,000,000.00
Property Tax Exemption	109,537,357.00 <sup>5</sup>
<b>TOTAL</b>	<b>\$330,624,157.49</b>

BRL:ecI

**WILKINSON, CARMODY & PEATROSS**

ATTORNEYS AND COUNSELORS AT LAW  
SEVENTEENTH FLOOR BECK BUILDING  
SHREVEPORT, LOUISIANA 71166

June 11, 1973

JOHN D WILKINSON 1887-1928  
C RUFFMAN LEWIS 1884-1953  
JOHN W HUDSON 1935-1981  
W SCOTT WILKINSON  
ARTHUR B CARMODY JR  
CHARLES B PEATROSS  
JOHN W HUDSON JR  
SAMUEL W CAVERLEE

VERNON W WOODS  
COUNSEL  
POST OFFICE BOX 1707  
TELEPHONE 423-4108  
AREA CODE 3-8

<sup>1</sup>An additional amount of \$12,083,687.44 in tax credits were issued to some 244 manufacturers.

<sup>2</sup>Exemptions afforded corporations relieve them entirely from the responsibility of filing a tax return. Therefore, there is no source from which to determine the cost of such exemptions.

<sup>3</sup>Specific items of income exempt from taxation under Louisiana law are the same items exempt under federal law. Thus, there is very little information available upon which to base an estimate of the effect on Louisiana revenues for any particular exempt item.

<sup>4</sup>Exemptions from payment of the occupational license tax are quite numerous. While the revenue loss as a result of these exemptions is quite substantial, there is no way of knowing how many individuals, corporations, or manufacturers take advantage of the exemptions.

<sup>5</sup>Includes estimate of cost of exemptions of churches, schools, and manufacturing plants under ten-year contract.

-2-

The Honorable B. B. Rayburn, Chairman  
Committee on Revenue, Finance and Taxation  
606 Avenue B  
Bogalusa, Louisiana 70427

RE: Maintenance of Constitutional Exemption  
for Charitable Undertakings and Institutions

Dear Senator Rayburn:

On March 31, 1973, on behalf of The Sisters of Charity of the Incarnate Word of Louisiana, who own and operate the Schumpert Memorial Hospital, Shreveport, Louisiana, Robert DeBacker and the undersigned appeared before you in public session urging specific exemption of charitable undertakings similar to the Schumpert Memorial Hospital. Enclosed is a copy of our statement.

The lawsuit mentioned in the accompanying statement has been filed and trial probably will be held in the fall term of Court.

Article X, Section 4 of the present Louisiana Constitution provides in pertinent part:

"Article 10, Section 4. Tax exemptions

"Section 4. The following property, and no other, shall be exempt from taxation:

"1. Public property. All public property.

"2. Religious, charitable and educational property. Places of religious worship, rectories and parsonages belonging to religious denominations and used as places of residence for ministers; places of burial; places devoted to charitable undertakings,

WILKINSON, CARMODY & PEATROSS

Page Two  
June 11, 1973

including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same; schools and colleges; athletic or physical culture clubs, associations or organizations having and maintaining active membership of not less than one thousand members, being non-profit sharing organizations, holding, in equipped gymnasiums, physical development classes open to all members daily, except Sundays and holidays, under supervision of regular physical directors, with juvenile and junior classes, promoting, in all ages above eight years, physical and health development; but the exemption shall extend only to property, and grounds thereunto appurtenant, used for the above mentioned purposes, and not leased for profit or income" (Emphasis ours.)

We strongly urge that a non-proprietary hospital, and certainly a charitable, non-profit, religious corporation owned and operated by a religious order of nuns who devote their lives to the care of the infirm with no income derived thereby, is a charitable institution worthy of an exemption which has been in force for over half a century.

LAW OFFICERS  
**HUDSON, POTTS & BERNSTEIN**  
TENTH FLOOR  
OCACHEA NATIONAL BANK BUILDING  
P. O. DRAWER 1121 TEL (318) 323-6626  
**MONROE, LOUISIANA**  
71201

F O HUDSON 88-1818 (0-3)  
W N POTTS 878-800; 800-831  
HENRY BERNSTEIN 88-1807 (0-3)  
J W POTTS 1884-1938  
B HUDSON JR 1909-1981  
MURRAY HUDSON 1920-1971

June 8, 1973

Senator B. B. Rayburn  
Louisiana State Senate  
606 Avenue B  
Bogalusa, Louisiana 70427

Re: Ad Valorem Taxation

Dear Senator Rayburn:

Article 10, Section 4 of the present Constitution exempts from ad valorem taxation such institutions as athletic clubs, schools, fraternal lodges and places "devoted to charitable undertakings". Hospitals have been generally considered by local assessors to be exempt under this provision as devoted to charitable undertakings.

As you may know, the Schumpert Hospital in Shreveport has recently been assessed a substantial sum for ad valorem taxes, which sum they have paid under protest. It appears to be the present position of the Louisiana Tax Commission that private hospitals are not exempt and must pay ad valorem taxes. The private hospitals of our state are, for the most part, non-profit corporations owned and operated by a church affiliated group. Since none of their profits go to any person and are all used to improve the medical care given to patients, cutting into those profits by ad valorem taxation can only result in a lessening of patient care or an increase in medical costs. Private hospitals perform a service to their communities and relieve the state of the expense of providing the necessary facilities. Most states recognize this and provide exemptions for hospitals.

Your committee is in a position to provide a valuable service to the people of Louisiana by making clear in the new Constitution that hospitals are exempt

Senator B. B. Rayburn  
June 8, 1973  
Page Two

from taxation. If you would like that someone appear before your committee with statistics and perhaps a listing of the states that exempt private hospitals, I feel certain that I can arrange for that to be done.

[670]

cc

ARTHUR C. WATSON  
DANIEL T. MURCHISON  
WILLIAM F. CREWS, JR.  
R. RAYMOND ARTHUR

July 6, 1973

In assessing the Schumpert Memorial Hospital, Shreveport, Louisiana, for the first time as a non-exempt holding, the Caddo Parish Assessor points to the collection of "fees" as a basis for assimilating Schumpert Memorial Hospital to the doctor-owned, chain or other proprietary profit hospital. This specious argument ignores the charitable services this order of religious nuns provides to citizens of Louisiana and particularly those in the Shreveport-Bossier area. No other Louisiana assessor has placed hospitals on the tax rolls. No other hospital or orphanage run by the same Congregation in Texas, Arkansas, Oklahoma, Utah or California is so taxed.

Accordingly, we enclose suggested language in draft form for effecting the exemptions outlined above. If we can be

Dr. Claude Mauberrret, Jr.  
218 North St. Patrick St.  
New Orleans, Louisiana

Dear Claude:

I have just looked at the Assessors' plan for the Constitutional Convention. Frankly, this disturbs me quite a bit. I do not think a homeowner whose house is worth \$75,000 or \$90,000 should not pay property taxes. I have a rather modest office building that is worth possibly \$75,000. The new proposal would mean that I would pay full taxes on this and a man who is worth \$1,000,000 with a \$100,000 home would pay no taxes. Anybody who has a \$100,000 home is bound to have quite a little chunk of cash, and a pretty good income to keep it up.

So far as the classification, generally speaking, of 15% market value, I think that is reasonable and is about what we have now on a State-wide average. Also, I think the local Assessor should be given a good deal of leeway in classifying property and setting values. As a matter of fact, in my 40 years experience in practicing law, our local Assessor has never been overruled by the Tax Commission on any values, except in two instances when Huey Long was Governor.

However, I certainly am not in favor of a person with a \$100,000 home getting by without paying any taxes, whereas, I have to pay taxes on a \$75,000 office building, where I make my living. Also, in the country, we have a lot of small merchants who own a little store in the country, either in Natchitoches or in towns and villages throughout the parish. They will be assessed at 15% of the value of their store and 15% on the inventory of goods. A country storekeeper may not net over \$300 a month, plus a few groceries that he takes home to his family. He would be paying ad valorem taxes and a man with a \$100,000 mansion and an income of probably \$50,000 a year would pay none. This is not right. I am surprised that assessors, such as Chehardy rammed this down our throats.

I do wish that you, as a member of the Constitutional Convention, would speak out against this plan. I simply do not think it is fair. I am not arguing for big business one way or the other, I am arguing for the little

WILKINSON, CARMODY & PEATROSS

Page Three  
June 11, 1973

be of further assistance to the committee, we will be glad to do whatever is necessary or appropriate.

Yours very truly,

WILKINSON, CARMODY & PEATROSS

By: *Samuel W. Caverlee*  
Samuel W. Caverlee

SWC:ct  
Enclosures

WILKINSON, CARMODY & PEATROSS

WATSON, MURCHISON, CREWS & ARTHUR

Article 10, Section 4, Louisiana Constitution

Section 4. The following property, and no other, shall be exempt from taxation:

1. Public property. All public property.
2. Religious, charitable and educational property. Places of religious worship, rectories and parsonages belonging to religious denominations and used as places of residence for ministers; places of burial; places devoted to charitable undertakings, including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same, (\*\*)

(\*\*) ADDITION OF ONE OF THE FOLLOWING:

- "and such organizations as hospitals"
- "and such organizations as non-profit, non-proprietary hospitals"
- "and such organizations as non-profit, non-proprietary, religious hospitals" ;

schools and colleges; athletic or physical culture clubs, associations or organizations having and maintaining active membership of not less than one thousand members, being non-profit sharing organizations, holding, in equipped gymnasiums, physical development classes open to all members daily, except Sundays and holidays, under supervision of regular physical directors, with juvenile and junior classes, promoting, in all ages above eight years, physical and health development; but the exemption shall extend only to property, and grounds thereunto appurtenant, used for the above mentioned purposes, and not leased for profit or income.

(Additions ours.)

Dr. Claude Mauberrret, Jr.  
July 6, 1973  
Page 2

businessman who would have to pay taxes on a small country store, whereas, a millionaire with a \$100,000 home would pay nothing.

Thanks very much for listening to me. I was very much upset when I read of this plan in the newspapers.

Sincerely yours,

Original signed by  
ARTHUR C. WATSON

acw/wat

PHONE 692-4141

Sheriff



George A. Broom

SHERIFF AND EX-OFFICIO TAX COLLECTOR

PARISH OF ST TAMMANY  
P. O. DRAWER 1120  
COVINGTON, LOUISIANA 70433

12 July 1973

Honorable Wayne Wascom  
Assessor - St. Tammany Parish  
Courthouse  
Covington, Louisiana

Dear Wayne:

Attached you will find a resume of homestead exemption

tax roll and the revenue sharing and special appropriations, etc.

INCREASE - 1972 over 1971 - - - - - 100,252.08
1970 (Actual) Homestead tax roll filed - - - - - 1,500,020.90
INCREASE - 1971 over 1970 - - - - - 201,649.48

I am writing you because I think it is necessary that we take into consideration the fact that beginning this year, there will be no funds available from the State or otherwise to satisfy any change orders that might issue from your office after your tax roll has been filed and approved by the Tax Commission and turned over to this office for collection.

(ESTIMATED) 1973 TAX ROLL

As you know, last year (1972) the total revenue sharing and special appropriations was \$1,726,572.00. The homestead roll filed by you was \$1,801,922.46 which caused a deficit of monies to cover the aforementioned roll in the sum of \$75,350.46. Subsequently, after the roll was filed we received change orders in the amount of \$42,236.95 of which we were able to satisfy from the 5 3/4 mill tax we collect from the State and which they did not receive this year, but which we held in escrow to satisfy the adjustments. The money left over from the taxes was turned over to the Police Jury in the sum of \$82,245.48. Anticipating the tax roll that probably will be filed this year, I estimate that based on your conversation with me last week, an increase of \$100,252.08 or a probable tax roll of \$1,902,174.54. This could

1973 (Estimated) Homestead tax roll to be filed (Based on above increases) adding \$100,252.08 to the 1972 tax roll - - - - - = 1,902,174.54 1,902,174.54

(ACTUAL) 1973 - APPROPRIATED

1973 (Actual) Revenue sharing appropriated - 1,568,789.00
1973 (Actual) Supplemental appropriation - - 167,153.00
1973 TOTAL - Appropriation by State to St. Tammany Parish - - - - - 1,735,942.00 1,735,942.00
1973 (Projected) Revenue short to all taxing bodies - - - - - 166,232.54

Page 2
Mr. Wascom

vary of course and I understand this.

I want to bring to your attention the actual 1973 revenue sharing appropriated is \$1,568,789.00 plus a supplemental appropriation of \$167,153.00 or a total appropriation of \$1,735,942.00. Subtract this from the estimated tax roll and the projected shortage to all taxing bodies will be \$166,232.54.

As mentioned above there will be no monies from the State or due the State and there is no way for this office to honor any change orders after the roll is filed. I am asking that you take note of the above problems and if you desire I will be glad to meet with you to discuss the problems.

I am suggesting that once the roll is filed this should also be the cut off date for any homestead exemption to be filed. Of course, this is your prerogative and I recognize this, but at the same time this office will be unable to honor any such change orders.

With kindest personal regards, I am

Very truly yours,

George A. Broom

George A. Broom
Sheriff, St. Tammany Parish
GAB/cw

(ACTUAL 1972)

1972 Homestead exemption tax roll filed - - - - - \$1,801,922.46
1972 Revenue sharing received - - - - - 1,726,572.00
1972 Revenue short to all taxing bodies for 1972 - - - - 75,350.46
1972 Taxes collected on 5 3/4 mill for state of Louisiana on Homestead exemptions and not paid to the state of Louisiana - - - - - 124,482.43
1972 Less normal adjustments made by chance orders, etc.- 42,236.95
1972 Balance to be settled to the St. Tammany Parish Police Jury - - - - - 82,245.48

(ACTUAL) PRIOR YEARS - 1970-1971

1972 (Actual) Homestead tax roll filed - - - - - \$1,801,922.46
1971 (Actual) Homestead tax roll filed - - - - - 1,701,670.38

MILLING BENSON WOODWARD HILLYER & PIERSON
ATTORNEYS AT LAW
WHITNEY BUILDING
NEW ORLEANS 70130
CABLE FOSHIGOS
TELEPHONE (504) 581-3333

July 27, 1973

Senator B. B. Rayburn, Chairman
Revenue, Finance and Taxation Committee
Louisiana Constitutional Convention of 1973
Post Office Box 17740-A
Baton Rouge, Louisiana 70803

Dear Senator Rayburn:

I respectfully urge that the tax exemptions now allowed by subsections 19(a), (b) and (c) of Section 4, Article X of the 1921 Constitution be retained.

I have prepared a proposed revision thereof, materially shortening them while retaining their substantive meaning, a copy whereof is hereto attached, marked Exhibit "A". It provides all of the coverage and grants no greater exemptions than do the present provisions, but, I submit, is preferable not only because of the style and syntax, but because of its brevity.

While I have been appointed to represent the Chamber of Commerce of the Greater New Orleans Area in making this presentation, it is in reality the people of Louisiana that I believe will benefit most from the retention in the Constitution of these subsections.

This firm has participated in acquiring the property and planning for the construction of a great many large national concerns that have seen fit to come into Louisiana. Some of my partners and I have collaborated in assembling the facts predicated upon which a determination has been made by various national concerns as to whether or not they would locate in the State of Louisiana or elsewhere. The criteria which their planners use in determining the location of a plant give very high priority to permanent advantages, which includes not only port and rail facilities and adequate supplies of fresh water, but stability of political environment and tax structure. It is the latter two which are of extreme importance, for there are infinite locations in this country that provide all of the physical attributes

MILLING BENSON WOODWARD, HILLYER & PIERSON

Senator B. B. Rayburn
Page #2

July 27, 1973

mentioned initially. In the past, political stability has not been one of Louisiana's strong points but by having our tax exemptions in the Constitution, the corporate planners are tremendously impressed that they will not have to fight attempts each year or two in the Legislature to protect their huge investments which, when once constructed, seem to be an attractive target for those short-sighted individuals who place the immediate need for tax dollars ahead of the overwhelming advantages provided

by long range industrialization. Those who seek to alleviate the always crying need for more tax income do not realize that by shutting off the flow of construction dollars for new plants they eliminate the less gradual but tremendously productive long range flow of more home construction, commercial establishments, transportation revenues and ancillary satellite establishments brought in because of the existence of the larger industries, which so materially broaden the tax base in every direction.

Any statesman with basic knowledge of industrial and population movement, recognizes that it was the adverse tax and labor climate in the northeastern part of this country that has resulted not only in the discontinuance of locating of many new industries in that area but in the actual abandonment of existing plants and their location in the South.

We all know that there has been an influx of industry into Louisiana and that its port outdistances those of other states in growth in the last decade. It is impossible to prove that industry came here as the result of the tax exemptions in question but I can unequivocally state that I know, of my own knowledge, of several that came because this exemption tilted the scales toward this State. And while we cannot prove that the increase in commerce moving into our ports resulted from these exemptions, it is undoubtedly true that the tonnage imported by the industries I have mentioned contributed somewhat to the increase and the fact that our increases were greater proportionately than other ports similarly situated is indicative of this fact.

I am attaching a single chart, marked for identification Exhibit "B", which shows the tax incentives granted to industry by all the fifty states. You will notice that it clearly shows that forty out of the fifty have exempted both taxes on industry and goods in transit, and the tax on raw materials used in manufacturing.

Louisiana has the other attributes to attract industry. I respectfully submit that tax stability will attract more and retain those that we have, and as the result the State will

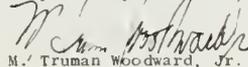
MILLING BENSON WOODWARD HILLYER & PIERSON

Senator B. B. Rayburn  
Page #3

July 27, 1973

prosper, labor will be greatly benefited, and the tax revenues of the State and its political subdivisions will increase.

Respectfully submitted,

  
M. Truman Woodward, Jr.

MTW, JR:nmh

PROPOSED SUBSTITUTION FOR SUBSECTIONS 19(a), (b) and (c)  
OF SECTION 4, ARTICLE X OF THE 1921 LOUISIANA CONSTITUTION  
RELATING TO TAX EXEMPTIONS:

19(a) All raw materials, goods, commodities, articles and agricultural products either in bulk, or in bales, sacks, barrels, boxes or other original containers, imported into this state from, or held for export to a point, outside of the continental United States, so long as the same: (1) remain upon the public property of a port authority or docks of any common carrier, or in a warehouse, grain elevator or public storage facility in this state; or (2) (exclusive of minerals and ores of the same kind as any mined or produced in this state and manufactured articles) are held in this state in the original form by an importer, other than a retail merchant holding same as part of his stock in trade for retail, or are held as a part of the new material inventory of a manufacturer or processor solely for manufacturing or processing.

19(b) All goods, commodities and personal property moving in interstate commerce through this state, or having been shipped into this state, are being held for shipment to another state whether the destination is specified when transportation begins or afterwards.

All such property entitled to exemption shall be reported to the proper taxing authority on the forms required by law.

EXHIBIT "A"



THE AMERICAN LEGION  
THE LOUISIANA DEPARTMENT

RESOLUTION

WHEREAS, the Justice of the Peace and Constables at its meeting on August 29, 1973, at the City Hall in Jena, Louisiana, discussed the Property Tax Plans to be presented to the CC 73, and

WHEREAS, the two Property Tax Plans that would be most equitable and best for the people of the State of Louisiana, would be either the Assessors Plan or the Chehardy Plan on Property Tax, and

WHEREAS, the Justice of the Peace and Constables request the Chairman, Senator B. B. Rayburn to pursue to the best of his ability and fullest efforts, to get the Assessors Plan or the Chehardy Plan on Property Tax accepted by the Delegates of the CC 73, and

WHEREAS, the Justice of the Peace and Constables are the closest elected official to the every day problem in the every day community know and have knowledge from conversation from the every day people that either the Assessors Plan or the Chehardy Plan on Property Tax would be best for all of the people of Louisiana,

NOW THEREFORE BE IT RESOLVED, that the Chairman, Senator B. B. Rayburn, be requested to so express the wishes and wisdom of the Justice of the Peace and Constables to his Committee on Taxes and Revenue and also that the Chairman be requested to express the same to the Delegates of the CC 73, and

BE IT THEREFORE RESOLVED, that the Chairman, Senator B. B. Rayburn work diligently and hard before the CC 73 and his committee, for the acceptance and passage by an overwhelming majority of either the Assessors Plan or the Chehardy Plan on Property Tax, and

BE IT FURTHER RESOLVED, that a copy of this resolution be distributed to all Committee Members on Tax and Revenue and all CC 73 Delegate members.

Willard Enterkin  
Justice of the Peace

Lee C. Russell  
Justice of the Peace

C. L. Hitt, Jr.  
Justice of the Peace

Jimmy Gaylor  
Constable

J. A. Bob Wilkes  
Justice of the Peace

Mr. Benjamin B. Rayburn, Chairman  
Tax & Revenue Comm.  
1973 Constitutional Conv.  
606 Ave. B.  
Bogalusa, La. 70427

August 6, 1973

Dear Mr. Rayburn:

The Louisiana Department of The American Legion has learned that there has been some discussion within the Committee on Revenue, Finance and Taxation Constitutional Convention presently convened as to whether to delete the provisions of veterans tax exemptions provided in Article 10, Section 4 of the present Louisiana Constitution of 1921, as amended.

The 50,000 members of the Louisiana Department of The American Legion urge the Constitution Delegates not to delete or diminish in any way the preference and tax exemption which are provided in the present constitution for veterans and their dependents.

The veterans of Louisiana have served their country and state with pride and distinction whenever called upon to do so. No one loves peace more than the men and women who have served this country during the time of conflict or World War throughout its history.

But, as our country now hopefully moves toward an era of peace, let us not forget the deeds and accomplishments of these men and women by taking from them the preference and tax exemption which the citizens of this state have afforded them through the years.

Thank you for your kind consideration of this matter.

Respectfully yours,

*Arthur Webb Jr.*  
ARTHUR WEBB, JR.  
Department Commander

AW/pe

Louisiana Justice Of The Peace And Constables Association

P O BOX 232  
METAIRIE, LOUISIANA 70004

September 7, 1973



Constitutional Convention Report  
September 7, 1973  
From: Emile Comar & Kirby Ducote

IMPORTANT UPDATE: Property Tax Exemption

The majority of the members of the Constitutional Convention's Committee on Revenue, Finance and Taxation have reported to us that they favor certain tax exemptions, including exemptions for churches, schools, hospitals and certain other institutions and organizations.

It is important for you to read this entire memorandum in order to fully understand what has transpired since our memo of August 23.

In that earlier communication we reported that the Committee had sent to the Convention floor a proposal which excluded all exemptions save those on homesteads.

Assessor Lawrence Chehardy of Jefferson, Sen. B. B. Rayburn of Bogalusa and other Committee members contacted the Catholic Conference staff and reported that it was never their intention to exclude churches, schools and the like from tax exempt status. The Committee staff, however, had not recorded with the Convention a vote in favor of exemptions - a vote the Committee took to be official, though staff disagreed on the technical question of whether the Committee action was superseded by the vote on the "no exemption" plan.

At any rate, the Committee will be meeting again in the near future and the majority said they favor the following proposal as relates to churches, schools, etc.

"(C) Places of religious worship; property owned by religious denominations and used as residences for ministers; places of burial, and property held by any religious denomination or nonprofit corporation or organization for burial purposes, but the exemption shall not apply to unsold lots, crypts, or places for burial, nor shall it apply to lands held for development as places for burial, when so held for profit; places devoted to charitable undertakings, including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same; schools and colleges; nonprofit hospitals; but the exemption shall extend only to property, and grounds thereunto appurtenant, used for the above mentioned purposes, and not leased for profit or income."

You will notice that this language does not include exemptions for

"...nursing homes, homes for the aged, convalescent and rehabilitation facilities, institutions for treatment, rehabilitation and care of the physically and mentally handicapped or retarded, orphanages, child and/or day care centers, and any other nonprofit institution as defined herein, which may be licensed or subject to license or supervision by the State of Louisiana."

Sen. Rayburn has assured us that all interested parties will be notified in advance of hearing dates on the tax exemption plan. We will notify you also for your immediate response and action.

\* \* \*

Upon recommendation of Rep. Eddie LeBreton, Emile Comar has been appointed to succeed LeBreton as the Constitutional Convention delegate from District 92. Emile is staying at the White House Inn, Room 722 - (504) 348-0111.

\* \* \*

On Thursday, September 6, the Constitutional Convention approved by a vote of 104 - 0 the Freedom of Religion section as proposed by the Committee on the Bill of Rights and Elections.

The Louisiana Catholic Conference had recommended the wording for this section. It reads "No law shall be enacted respecting an establishment of religion or prohibiting the free exercise thereof." This wording traces the First Amendment to the United States Constitution.

EC/KD:aMcM



NEW ORLEANS CHAPTER  
LOUISIANA LANDMARKS SOCIETY, INC.

1440 Moss Street  
P. O. Box 19313  
New Orleans, Louisiana 70179

Member Organization of  
National Trust for Historic Preservation  
Society of Architectural Historians



## Sacred Heart Church

2250 MAIN STREET  
BATON ROUGE, LOUISIANA 70802  
PHONE 484-4171

8 September, 1973

Senator B. B. Rayburn, Chairman  
Committee on Revenue, Finance and Taxation  
Louisiana Constitutional Convention  
606 Avenue B  
Bogalusa, Louisiana 70427

Dear Senator Rayburn:

In behalf of the 1350 families of Sacred Heart Parish, we urge the Committee on Revenue, Finance and Taxation of the Louisiana Constitutional Convention to reconsider the tentative proposal eliminating all tax exemptions from the Constitution, including that on houses of worship, educational institutions, rectories, convents, etc.

Also we would appreciate your considering tax exemptions for religiously affiliated institutions (such as hospitals, nursing homes and child care institutions) which also provide services to the public.

Sincerely yours,

*Jerome A. Dugas*  
(Rev.) Jerome A. Dugas

*Sidney Beanel*  
(Rev.) Sidney Beanel

Dear CC-73 Delegate:

We earnestly request your support for Historic Preservation in Louisiana.

Constitutional status has been the savior of the Vieux Carre for the past 35 years. Vital decisions in the courts (even the Supreme Court) have hinged on constitutional arguments, not merely on State laws and local ordinances. Constitutional dignity is necessary for the protection of landmarks throughout the State against the encroachments of mis-guided progress and intemperate legislation.

Section 19 of the report of the Committee on Local and Parochial Government will soon come up for consideration. Please support it, and an amendment to be offered by Mr. Derbes of District 96, which includes most of the Vieux Carre: "C. Historic preservation districts in existence at the time of adoption of this constitution are hereby ratified and confirmed."

Preservation is not merely a zoning function, nor is it one of the ordinary police powers of a municipality.

The clause of Section 19 will aid immeasurably the cause of historic preservation throughout Louisiana. The Vieux Carre would remain protected, but without the cumbersome detailed language in the present constitution.

Don't gamble with Louisiana's heritage! Protect Louisiana's architectural and cultural history from extinction!

Most sincerely

*George M. Leake*  
George M. Leake, President  
Louisiana Landmarks Society



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 17740-A BATON ROUGE, LOUISIANA 70803  
TELEPHONE 389-5034

E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

September 24, 1973

Rev. Jerome A. Dugas  
Sacred Heart Church  
2250 Main Street  
Baton Rouge, Louisiana 70802

Dear Rev. Dugas:

I am at a loss, or not necessarily at a loss, because I think Mr. Emile Comar furnished you and many others of this state with the wrong information when he said that the Committee on Revenue, Finance and Taxation had failed to approve the present exemptions now in the Constitution for non-profit houses of worship, educational institutions, etc.

The records of the committee will reveal that we tentatively approved exemptions that are now in the present Constitution and had done this prior to Mr. Comar's release being sent to you and many others.

I regret that this information was erroneously made available. I can assure you it is not, nor has it ever been the intent of the committee to eliminate tax exemptions on houses of worship and educational non-profit institutions.

With best wishes, I remain

Sincerely yours,

B.B. Rayburn, Chairman  
Committee on Revenue,  
Finance and Taxation

GUY F. LEMIEUX  
POST OFFICE 19308  
NEW ORLEANS, LA 70179

PRESIDENT  
BOARD OF LEVEE COMMISSIONERS  
ORLEANS LEVEE DISTRICT

September 21, 1973

The Honorable B. B. "Sixty" Rayburn  
606 Avenue B  
Bogalusa, Louisiana 70427

Dear Mr. Rayburn:

Delegate Proposal No. 30 would abolish the Orleans Levee Board and give its functions to the City Council of the City of New Orleans. This would mean that levee needs would have to compete with the needs of law enforcement, street repairs, garbage pick up, as well as those of a cultural nature. Levees would lose and the people would be the losers.

We are in favor of the proposal of your Local and Parochial Government Committee. This Committee, after hearing much testimony and giving much study to the matter, produced a section on levee boards that is good for the State. Delegate Proposal No. 30 would change this.

Please vote against Delegate Proposal No. 30 and against any proposal that would weaken the levee board system in Louisiana.

Sincerely,  
*Guy F. Lemieux*  
GUY F. LEMIEUX

GFL/jeh

BDR/dp

September 30, 1973



Telegram

Senator B. B. Rayburn, Chairman  
Revenue, Finance and Taxation,  
Independence Hall,  
1575 N. 3rd St.,  
Baton Rouge, La. 70802

Dear Senator,

I suppose my good friend Mr. Champagne ( Walter ) has already told you my reason for not appearing before your committee. I fully appreciate the courtesy you extended to me through Walter, and for that I thank you. I have since heard, however, that you did include Stocks and Bonds with the other religious exemptions and this will not require me to be taxed more than once for my shrimp boat and liquor store ( I also sell a few other things ). I do want to say, however, that Mr. Dan has always been more than fair, like all assessors, in taxing our shrimp boat and other things and I am sure you have all found him to be a very fine gentleman. He has impressed me even more since he was able to get shrimp boats on the list.

I feel the poor people are very well represented on your committee. I see and hear a lot about the real big man with a real big heart for the poor people as well as his friend from the same parish who is the son of a fisherman. I think Walter's cuz with the curly hair is real cute. He has curly hair just like my son Paul. I also read that you were for the poor man, the working man, the farmer, and the fireman and policemen. I want to thank you because I too am for these people ( especially the firemen and policemen, and the fisherman ).

Please read my letter to the other members of your Committee. They all seem to be such fine people and all for the poor people. Even the rich ones on your committee seem to be for the poor people. That is so nice. After all, there are so many more poor people around than rich ones and I imagine it comes in handy around election time.

Sincerely yours,

*Josephine*

CONTINUED OPERATIONS THROUGH THE PORT OF NEW ORLEANS AND DOES NOT APPEAR TO BE IN THE BEST BUSINESS INTEREST OF THE STATE OF LOUISIANA AND THE CITY OF NEW ORLEANS  
ALUMINUM COMPANY OF AMERICA EXPORTS SUPPLY DIVISION JOHN KUZKO  
MANAGER

BF-1201 (RS-88)

### Louisiana Troopers' Association

DIAL (318) 738-5467  
DRAWER AO  
KINDER LOUISIANA 70648



RUCE LAFARGUE PRESIDENT RAY RIBOUDIAUX VICE PRESIDENT CLIFF MADSEN SECRETARY GEORGE WAGNER TREASURER

October 26, 1973

Dear Delegate:

The Louisiana Trooper's Association asks that you consider approval of the proposal which places the authority for salary increases for State Police personnel in the legislature. An amendment to Civil Service Proposal #9 will be introduced by Mr. Gorgon Flory.

In 1972, the legislature passed a bill to increase the salary of State Police personnel, but Civil Service refused to implement this increase. We believe that if the legislature, acting as the voice of the people of this State, passes a salary increase, then no board, commission or other state agency not answerable directly to the people should be permitted to veto this action. In the instance above, the people of this State, through their elected representatives stated that they felt the State Police deserved to be better paid for their services. Perhaps they believed that Louisiana should not be last in pay for police personnel. According to the 1972 IACP Comparative Data Report, the Louisiana State Police ranks 49th of the 49 State Police and Highway Patrol agencies in salary.

We, of the Louisiana Troopers' Association, have been working to upgrade the services provided by the State Police to the people of this State. How can we possibly provide the best when we are not competitive with the other State Police agencies in pay; in fact, when we are not competitive intrastate with our local police and sheriff's departments. Since these local agencies receive the state supplemental pay, they practically all earn more than a trooper of the same seniority.

We are not asking to become unclassified. We prefer to remain under Civil Service as long as they cannot obstruct the will of the people and the legislature of this State. Your assistance in this matter will be deeply appreciated by the members of the Louisiana State Police.

FOR THE ASSOCIATION,

*Bruce LaFargue*

Sgt. Bruce LaFargue, President



Telegram

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PMS SENATOR B B RAYBURN, FONE, FONE IMMY

STATE CAPITOL BLDG

BATON ROUGE LA

IT HAS COME TO OUR ATTENTION THAT THE REVENUE FINANCE AND TAXATION COMMITTEE OF THE CONSTITUTIONAL CONVENTION IS DISCUSSING THE POSSIBILITY OF REMOVING THE EXEMPTIONS PROVIDED BY ARTICLE 10 SECTION 4 PARAGRAPH 19B AS PROVIDED BY THE LOUISIANA STATE CONSTITUTION. ON IT IS RESPECTFULLY REQUESTED THAT THESE EXEMPTIONS BE RETAINED IN THE CONSTITUTION OUR ORGANIZATION WAS RECENTLY ESTABLISHED IN NEW ORLEANS EMPLOYING LOCAL PEOPLE AND GENERATING IMPRESSIVE DOLLAR VALUE SALES FROM MANY LOCAL VENDORS AND MOVING CONSIDERABLE TONNAGE OF CARGO WHICH PREVIOUSLY HAD BEEN DONE AT ANOTHER PORT LOCATION LIFTING THESE EXEMPTIONS WOULD BE DETRIMENTAL TO OUR

BF-1201 (RS-88)

# B. General Correspondence



STATE OF LOUISIANA CONSTITUTIONAL CONVENTION OF 1973 P. O. BOX 44473 BATON ROUGE LOUISIANA 70804

E. L. HENRY CHAIRMAN

March 5, 1973



JOSEPH N. TRAIGLE  
COLLECTOR OF REVENUE

STATE OF LOUISIANA  
DEPARTMENT OF REVENUE

March 12, 1973

MEMORANDUM TO:

Mr. Jamie Hill  
Executive Assistant

Re: Constitutional Convention of 1973  
Revenue, Finance, and Taxation

Honorable Joseph N. Traigle  
Collector of Revenue  
State of Louisiana  
Capitol Annex, Room 402  
Baton Rouge, Louisiana 70804

Dear Mr. Traigle:

Within approximately two weeks the Revenue, Finance and Taxation Committee of the Constitutional Convention will meet to consider needed reforms of constitutional and statutory provisions regarding the areas of revenue, finance and taxation.

As Senior Research Assistant for this Committee, it is my duty to pinpoint for the Committee's consideration those areas where reform might be justified.

The purpose of this letter is to seek the assistance of the Department of Revenue for suggestions regarding reform in the areas of revenue, finance and taxation. At your earliest convenience, would you please circulate an inter-departmental memorandum asking that Revenue Department personnel (especially departmental directors) submit recommendations as to needed reforms in the areas of revenue, finance, and taxation?

Since the Committee wishes to meet very soon, probably there will not be enough time to formulate detailed recommendations. Therefore, if departmental directors and other personnel simply could list areas possibly needing reform, then we could work together at a later date as to the details. For example, a listing might be whether or not there

The following comments concerning the above-captioned matter are submitted in response to Mr. Norris' letter to Mr. Traigle dated March 5, 1973, wherein he requests that the Department furnish suggestions as to areas of possible reform.

- (1) Should the income tax rate structure (maximums) including the bracket from which the personal exemption and dependency credits are to be deducted be in the Constitution? Inflexibility in this area makes simplification of reporting more difficult.
- (2) Should the State be authorized to adopt by reference any tax provisions of the Internal Revenue Code, such as definitions of net income, adjusted gross income, deductions, dependency credits, etc.? This is important for a number of reasons, one of which is the enactment of the "Federal-State Tax Collection Act of 1972" (Public Law 92-512, Title II).
- (3) If the answer to (2) is in the affirmative, should the authorization to adopt provisions of the Internal Revenue Code by reference also extend to future changes in the Internal Revenue Code?
- (4) Should the State be authorized to levy its income tax as a percentage of the Federal income tax?
- (5) Should the State be authorized to enter into an agreement with the Internal Revenue Service to permit the Internal Revenue Service to administer our income tax law (or portions thereof)?
- (6) Should Section 19 of Article 19 of the Constitution concerning the prescription of tax claims be clarified? At the present time it does not provide means for the interruption or suspension of prescription. These are

CAPITOL ANNEA BUILDING • POST OFFICE BOX 201 • BATON ROUGE 70801

page 2

Mr. Jamie Hill  
March 12, 1973  
Page 2

... be 100% property tax assessment. If time does not permit, the pros and cons regarding various issues could be submitted at a later date, or perhaps departmental personnel could work with us as to details.

Since the Committee on Revenue, Finance and Taxation wishes to meet within two weeks, this information (at least as to listing of areas of needed reforms) should be submitted no later than Monday, March 17, 1973, at 4:30 p.m. If convenient for you, it will be no trouble for me to pick up these materials at your office.

My past experience with the Revenue Department affords satisfaction in knowing that no organization, public or private, has personnel more dedicated or more qualified. Thus, the assistance of your department certainly would be an asset to the Constitutional Convention of 1973, especially the Committee on Revenue, Finance and Taxation.

If you have any questions, please contact me at 389-5034. Thank you.

Very truly yours,

*James A. Norris, Jr.*  
James A. Norris, Jr.

JAN:jc

now contained in the statutes. Should the status of tax judgments and tax assessments be clarified from a prescriptive standpoint? Do they have to be renewed every 10 years to remain valid?

- (7) Should the Constitution contain a provision to the effect that statutory changes in tax provisions in order to be effective must be made in the form of amendments to the tax statutes to which applicable? At the present time some statutory changes contain tax provisions which are not related back to the tax provisions which they modify.
- (8) Should constitutional withholds from tax collections for cost of administration be retained?
- (9) Should constitutional dedications of tax collections be retained?
- (10) Not directly related to the question of taxes but nevertheless important from an administrative standpoint is this question - should the constitutional provisions which control Civil Service be more flexible? Should the State be able to hire graduates from accredited universities without their having to take a Civil Service test if they meet certain academic standards, such as finishing in the upper one-third of their class?

In general terms it is my view that constitutional provisions should be more in the nature of enabling rather than mandatory provisions. I feel that matters such as exemptions can best be handled by statute. Of course, I do understand that there may be some inclination to set some upper limits in some areas of taxation.

The above comments have been limited to those taxes which fall in the consumer group and have also been limited to constitutional considerations. Statutory reform has not been discussed.

*Francis H. Lee*  
Francis H. Lee  
Deputy Collector  
Consumer Taxes

FHL:pf

cc: Mr. Joseph N. Traigle  
Collector

OFFICE OF  
DEPARTMENT OF REVENUE  
STATE OF LOUISIANA  
BATON ROUGE 70821



MEMORANDUM March 8, 1973

To: Mr. Joseph N. Traigle  
Collector of Revenue

Re: Revenue, Finance & Taxation Committee  
Constitutional Convention 1973

Pursuant to the request of Mr. James A. Norris, Jr., dated March 5, 1973, we wish to advise that the following changes and reforms in statutes administered by the Severance Tax Division should be considered by the captioned Committee:

A. Article X - Revenue and Taxation  
Section 1. Taxing power; specific taxes  
Severance Tax on timber

Determine average stumpage value on second Monday of each December instead of the second Monday of January.

Reason: Numerous timber severance taxpayers are purchasers of timber. Currently, tax rates are not determined and published until 2 weeks after calendar year begins. Purchaser withholds taxes based on previous year's tax rate for those two weeks and usually must bear an increase in taxes for that period. A change in date of value determination would enable purchaser to withhold correct amount of taxes at beginning of calendar year.

B. The rates of tax on timber, levied in R.S. 47:633 (1), (2), (3), (4), (5), (6), are in conflict with Article X of the Constitution.

C. Article X, Section 24  
Manufacturer's Gas Tax Credit

Provide that warrants will be issued by the Collector of Revenue for presentation to the State Treasurer for satisfaction, in lieu of issuing tax credit warrants in satisfaction of any tax or combination of taxes owed by the municipality.

Reason: If warrants are made payable to the municipality, rather than the various taxing authorities within the State, the municipalities would be assured of receiving full payment of monies due. Some cities do not incur enough tax liability to receive full benefits allowed.

Mr. Joseph N. Traigle  
March 8, 1973  
Page 2

D. Article X, Section 21  
Severance tax on natural resources

Change basis of tax from "severance" to "production". Allow provisions to predicate tax on quantity or gross value of production.

In absence of above change, re-word present article to provide for tax on quantity or gross value of the products at time and place of severance.

Reason: Administrative. A tremendous task force of auditors would be required to verify any cost deductions taken from gross value. Tax is presently based on value at the wellhead. A change would allow for taxation on value at point of sale.

I would be happy to discuss the above with you or any other concerned person at your convenience.

Sincerely yours,

*Kenneth L. Canik*  
Kenneth L. Canik  
Director  
Severance Tax Division

KLC:vc

cc: Mr. Sam Wimbish, Jr.  
Mr. Peyton Parker

OFFICE OF  
DEPARTMENT OF REVENUE  
STATE OF LOUISIANA  
BATON ROUGE 70821

MEMORANDUM  
FLC:cw

March 9, 1973

Mr. Sam Wimbish, Deputy Collector  
Producer Taxes

Re: Recommended Reforms  
For CC 73

In response to the inquiry of Mr. James A. Norris, Jr., about suggested reforms in the area of revenue finance and taxation, we wish to submit the following.

We will proceed in alphabetical sequence through the various fields of taxation being administered by this Division.

1. The Alcoholic Beverage Permits now being administered under provisions of Act 128 of the 1972 Legislature creates a stopgap on information flow by having enforcement and investigation separate from the license issuing agency. We will forego listing all details at this time. If additional details are required, we will supply upon request.

2. Alcoholic Beverage Tax as proposed could possibly be amended to allow release of certain information to industry sources for statistical purposes only.

3. The Tobacco and Soft Drink Permit section could be helped by the repeal of the retail Soft Drink Permit due to the minimum number of around approximately 3,000 licensees per year.

4. The Soft Drink Tax section would be benefited by the imposition of a single per container tax rate in lieu of the variable wholesale price basis now utilized. Additionally, to place the Soft Drink Tax in line with other taxing states, the syrup tax should be increased to a .40¢ per gallon rate.

It is also noted an increasing number of dealers are claiming refunds for merchandise transported and sold outside the boundaries of Louisiana. A review of the Soft Drink Law to amend this refund situation would be beneficial to the tax collections under this section.

Mr. Sam Wimbish, Deputy Collector  
Producer Taxes  
Page - 2 -

5. The Beer Tax section, as now imposed under Title 26, should be completely rewritten providing for enforcement provisions permitting seizure and sale of any contraband low alcoholic beverages. Additionally, the Alcoholic Beverage Law should be stringently empowered for taxation of beer being sold to Military or Governmental Agencies.

6. Tobacco Tax should be beefed up from an enforcement standpoint for purposes of Military and Governmental sales in the same manner as the Beer section.

Should you require further detail in these matters, please advise.

*Preston L. Carpenter*  
Preston L. Carpenter, Director  
Beverage & Tobacco Tax Division

cc: Mr. James A. Norris, Jr.,  
P. O. Box 44473  
Baton Rouge, Louisiana 70804

OFFICE OF  
DEPARTMENT OF REVENUE  
STATE OF LOUISIANA  
BATON ROUGE 70821

March 9, 1973

MEMORANDUM  
MDB:pm

TO: Mr. Sam Wimbish, Jr.  
Deputy Collector for Producer Taxes

FROM: Mr. Malcolm D. Brumfield, Director  
Petroleum Products Tax Division

In reply to letter dated March 5, 1973, received from the Finance and Taxation Committee of the Constitutional Convention, the following Constitutional and statutory reforms relating to the Petroleum Division are recommended.

If the 1 cent gasoline tax is to remain in the Constitution, Article VI-A, Section 2 should be amended to conform with recently amended R.S. 47:721B.

R.S. 51:796 which levies a 1/32 of a cent inspection fee should likewise be amended to conform with 47:721B.

R.S. 47:721B should be amended so as to more clearly define the terms "bonded wholesaler or jobber" and "bonded manufacturer."

R.S. 47:719 providing for a 3% allowance should be corrected so as to be more consistent with the tax reporting requirements in 47:721B.

The attached photo copy of letter recently submitted to the Legal Division will more fully explain the reasons for the suggested Constitutional revisions and/or remedial legislation.

OFFICE OF  
DEPARTMENT OF REVENUE  
STATE OF LOUISIANA  
BATON ROUGE 70821

MEMORANDUM February 6, 1973

MEMORANDUM TO:

Mr. J. Peyton Parker, Jr.  
General Counsel

Re: Corrective Legislation  
Pertaining to Gasoline  
Handling Allowance

Attention: Mr. J. Byron Stringer  
Attorney

In your letter of January 12, 1973, it is stated that you intend to submit our suggestions for corrective and remedial legislation to the Legislative Council. We believe it will be beneficial for them to know the reasons leading up to the confusion that currently exists with respect to the amendments to 47:719 and particularly 47:721B. For almost forty years prior to the 1964 session of the Legislature, the 1 cent gasoline tax as levied under Article 6A, Section 1 of the Constitution and 7 cents taxes levied under 47:711 were due and payable by the first handler, that is the importer or the manufacturer. The Constitution and the statutes referred to such taxpayers as dealers. Act 463 of 1964 amended and re-enacted 47:721 by allowing wholesalers or jobbers under certain conditions to pay the 7 cents statutory taxes directly to the Collector instead of to the manufacturer or importer. From 1964 until the 1972 session, only 27 jobbers or wholesalers elected to avail themselves of this permission and the administrative problems were minimal.

In the 1972 session, 47:721B was again amended and re-enacted to liberalize the conditions under which jobbers or wholesalers could qualify to pay their own taxes and 47:719 was amended and re-enacted to eliminate the 3% allowance to importers or manufacturers (dealers) on the tax levied under 47:711A. It was retained insofar as wholesalers and jobbers were concerned. Prior to this amendment to 47:719, the dealers

Mr. J. Peyton Parker, Jr.  
General Counsel

Page 2  
2/6/73

usually passed the 3% allowance on to most bulk purchasers. As a result of this legislation, many wholesalers, jobbers and various other operators applied for authorization to purchase gasoline without payment of the tax to the dealer in order to take advantage of the 3% allowance which incidentally, amounts to \$120 on each 100,000 gallons purchased.

As of January, 1973, we have authorized 160 wholesalers or jobbers to pay their own taxes, but have denied about 15 others who, in our opinion, do not meet the conditions set forth in 47:721B. To forego the likelihood of litigation that will be instituted by those to whom authorization has been denied, we ask that an effort be made to clarify the terms "bonded manufacturer" and "bonded jobber" and that the 3% allowance heretofore granted to dealers be at least partially restored to avoid the ever increasing number of jobbers applying for authorization to pay their own taxes.

On August 24, 1972 rules and regulations were pro-

mulgated in an attempt to clarify the terms bonded manufacturer and bonded jobber or wholesaler, but it is likely that they will be held to be inconsistent with the statutes or that the Collector has assumed powers belonging to the Legislature. Photo copy of the regulations is attached.

We believe it would be helpful to change the wording in the last paragraph of 47:721B(c) and the following is recommended:

Nothing in this sub-section shall apply to consignees or commission bulk agents, or to jobbers or wholesalers whose principal business is retailing gasoline or other motor fuels through the medium of service stations owned or operated by themselves on a salary or commission basis. The sole meaning and intent is to permit bona fide jobbers of gasoline or other motor fuels under the enumerated conditions

Mr. J. Peyton Parker, Jr.  
General Counsel

Page 3  
2/6/73

to pay the taxes levied by this part directly to the Collector of Revenue instead of to the bonded manufacturer or importer.

47:719 should be corrected to conform with the tax reporting requirements in 47:721B(a) and in the event the Legislature decides to partially restore the allowance to dealers, it is our suggestion that the bill be drafted as follows:

In computing the tax under Sub-section A of 47:711, an allowance of one and one-half (1½%) of the total taxable gallons sold, used or consumed in the State of Louisiana for domestic consumption during every calendar month shall be made and deducted by the dealer as defined in 47:721A to cover losses in handling such motor fuel. An allowance of three per cent (3%) of the total gallons purchased for domestic consumption during every calendar month shall be made and deducted by jobbers qualifying under the provisions of 47:721B to cover losses in handling such motor fuel.

Another matter that should be brought to your attention is the requirement that the 1 cent Constitutional Tax and the 1/32 of a cent inspection fee that still must be paid by the first handler. Accordingly, since the Constitution is to be re-written, it is suggested that the Legislative Council be made aware of the situation resulting from the enactment of Act 463 of 1964 which amended 47:721 by permitting certain jobbers to purchase gasoline without payment to the manufacturers of the 7 cents statutory taxes levied under 47:711A, B and C.

The 1 cent tax levied under the provisions of Article 6A, Section 1 of the Constitution and the inspection fee under 51:796 were not similarly amended. Consequently, the jobbers who qualify are now paying the 7 cents taxes, but the dealers

Mr. J. Peyton Parker, Jr.  
General Counsel

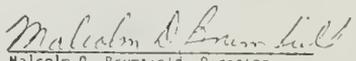
Page 4  
2/6/73

must still pay the 1 cent tax and the inspection fee.

Although this department was not in favor of the 1964 amendment, it would seem logical that if jobbers or wholesalers are permitted to purchase gasoline without payment of the 7 cents taxes to the manufacturers, they should be permitted to make purchases without payment of the 1 cent Constitutional Tax and the inspection fee as well.

A schedule indicating the revenue consequences of various allowances applicable to both dealers and jobbers is attached.

Would like to discuss these matters with you before your meeting with the Legislative Council.

  
Malcolm D. Brunfield, Director  
Petroleum Products Tax Division

RWR:d1

Attachments

PROJECTED EFFECTS OF CHANGES IN R.S. 47-719

PRESENT:

Act 221	1972	Tax
Allowance to		Produced
Dealer	Jobber	
-0-	3%	\$1,920,765

		<u>Proposals</u>		<u>Gain or Loss over present Act 221</u>	
		Jobber		Gain	Loss
Dealer	-	-		\$349,180	
-	3%*	3%*		101,424	
1½%	1½%	1,134,972			785,792
1½%	3%	960,382			960,382
2%	3%	640,255			1,280,510
3%	3%	-0-			1,920,765

\*up to 200,000 gallons

March 12, 1973

MEMORANDUM

MDB:pm

Pursuant to the authority vested in me by law in Louisiana Revised  
Statutes 47:1511, the following regulation is hereby promulgated:

I. WHOLESALERS OR JOBBERS

A bona fide wholesaler or jobber means any person, firm, corporation or association of persons whose principal business is purchasing gasoline or other motor fuels in bulk quantities from unrelated or unaffiliated bonded manufacturers for subsequent sale to unrelated or unaffiliated retail dealers and industrial or commercial consumers. There must be title transfers from the manufacturer to the wholesaler or jobber and from the wholesaler or jobber to the retail dealer and/or the industrial or commercial consumer. The term bona fide wholesaler or jobber is not to be construed so as to include consignees or commissioned agents who merely have custody of gasoline or other motor fuels belonging to manufacturers. Louisiana R.S. 47:721B is not to be deemed to include those who principally obtain gasoline and other motor fuels from bonded manufacturers in bulk quantities and make deliveries directly to their customers where no losses can occur.

Louisiana R.S. 47:721B(1) is to be construed as meaning that the wholesaler or jobber maintain a bulk plant in Louisiana at which there are storage facilities of 30,000 gallons or more and actually used for the storage of gasoline and other motor fuels.

II. The provisions of R.S. 47:721B are not applicable to bonded wholesalers or jobbers who obtain gasoline or other motor fuels outside this State on a f.o.b. point of origin basis. Under these circumstances a dealer as defined in 47:712 applies and the tax collectible under the provisions of 47:721A.

III. BONDED MANUFACTURER

The term bonded manufacturer is deemed to be any person, firm, corporation or association of persons who meet the definition of a dealer as defined in 47:712, has posted a surety bond as required by 47:725 and file monthly motor fuels tax reports in accordance with 47:722.

IV. Authorization to qualified wholesalers or jobbers to make tax-free purchases from a manufacturer shall commence on the first day of the month following the month in which a surety bond is received and accepted.

Baton Rouge, Louisiana, August 24, 1972.

  
Joseph H. Traigle  
Collector of Revenue  
State of Louisiana

TO: Mr. Jamie T. Hill  
Executive Assistant

FROM: Mr. Malcolm D. Brumfield, Director  
Petroleum Products Tax Division

In the Constitution, Article VI, Section 22(1), which deals with refund of gasoline tax to farmers, commercial fishermen and aircraft, has three sections labeled (1). This section could be revised to eliminate two of the sections.

CAPITOL ANNEX BUILDING POST OFFICE BOX 201 BATON ROUGE 70821

Mr. Kilshaw's comments in regard to Mr. James Norris' letter of March 5, 1973 to Mr. Traigle:

1. Increase the amount of the Warrant for Distraint penalty to enable the Department to have stronger enforcement measures and to have this Warrant for Distraint penalty dedicated to the Department of Revenue
2. Ought to make corporate officers liable for the payment of the corporation franchise tax or make the officers file a bond with the Secretary of State to cover the tax liabilities
3. Have the Secretary of State collect the initial domestic corporation franchise tax at the time that the corporation is chartered

These comments were dictated over the telephone to me by Mr. Kilshaw

3-8-72  
lp



EDWIN EDWARDS  
GOVERNOR  
JOSEPH H. TRAIIGLE  
COLLECTOR

State of Louisiana

DEPARTMENT OF REVENUE

LEGAL DIVISION

March 12, 1973

J. PEYTON PARKER, JR.  
GENERAL COUNSEL  
(504) 389-5941

Mr. James A. Norris, Jr.  
Attorney at Law  
1701 Trenton Street  
West Monroe, Louisiana 71291

Dear Jim:

We received your letter of March 5, 1973, on Thursday, March 8, 1973, and my staff has only had a short time within which to summarize needed constitutional revisions. We would appreciate your allowing us to supplement this list at some later time and we would also appreciate your corresponding directly with the Legal Division on these matters.

The following changes have been brought to our attention:

1. The elimination of the Board of Tax Appeals to be replaced by a Tax Court comprised of perhaps two judges appointed by the Governor that would hear all tax cases by taxpayers, Department of Revenue or any local political subdivision.
2. Eliminate the word net from "net income" out of Article 10, Section 1.

3. Article 10, Section 11 pertaining to the forfeiture of property for non-payment of taxes should be amended to clearly indicate its application only to ad valorem taxes.

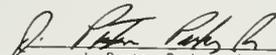
TOWN OF BERNICE

PHONE 285-2321  
P.O. BOX 186

BERNICE, LOUISIANA, 71222

With kindest personal regards, I remain

Sincerely,

  
J. Peyton Parker, Jr.

OFFICIALS  
E. W. HAGEMAN, MAYOR  
JOE STEVENS, CLERK & TAX COLLECTOR  
OTIS ELLIOTT, MARSHAL  
SAMMY R. JOHNSON, SUPERVISOR OF TOWN AFFAIRS

ALDERMEN  
ALVIN GREEN, MAYOR PRO-TEM  
CHARLES L. HOLLIS  
LOUIS L. JARVIS  
CLIFTON MINTOSH  
GEORGE C. MOORE

JPPJr/jf

April 2, 1973

State of Louisiana

DEPARTMENT OF REVENUE

LEGAL DIVISION

March 9, 1973

J PEYTON PARKER JR  
GENERAL COUNSEL  
504-389-594



EDWIN EDWARDS  
GOVERNOR  
JOSEPH N. TRAIGLE  
COLLECTOR

MEMORANDUM TO:

Mr. Joseph N. Traigle  
Collector of Revenue

Re: Constitutional Convention, 1973

The undersigned hereby recommends the establishment of a system of Tax Courts throughout the State of Louisiana with the following basic guidelines:

1. The Judges for the courts (at least two at the beginning) should be appointed by the Governor with a term of not less than eight (8) years.
2. The Tax Courts should have original jurisdiction of all tax cases instituted by the Collector or the citizen-taxpayer and taxes due by taxpayers to any political subdivision or public body of the State of Louisiana and any claim for taxes brought against taxpayers by any political subdivision or public body.
3. The Judges should have the authority to sit and conduct hearings in any parish in the State of Louisiana. Each parish clerk of court and sheriff should be required to provide necessary facilities such as court stenographers, courtrooms, and personnel to serve writs, orders and decrees of the courts at the expense of the parish clerk and sheriff.
4. While sitting in a parish the Tax Courts should have the full authority to issue all orders, decrees and summons as any Judge sitting in that particular judicial district. In other words the Judge should be able to utilize the services of the local sheriff in order to punish for contempt, execute judgment, issue subpoenas, etc.
5. Appeals--All appeals not involving the constitutionality of a statute should be to the First Circuit Court of Appeals only. The purpose of this limitation is in order that one court of appeals could obtain expertise in tax matters.
6. Where the constitutionality of a statute is in question the appeal should be direct to the Supreme Court of the State of Louisiana.

MEMORANDUM TO:

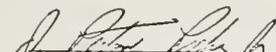
Mr. Joseph N. Traigle  
March 9, 1973  
Page -2-

Re: Constitutional Convention, 1973

The purpose of having the authority for the court to sit in any parish would be in order to have a convenient forum for all taxpayers. Taxpayers should be allowed to present grievances, orally or in writing, without the necessity of employing an attorney and these matters should be decided by the Tax Court with lenient rules of procedure.

Tax Courts have been established in many states in the United States. The states that have Tax Courts will be furnished to you by Monday.

The Tax Court should operate with the requisite expertise required in very technical tax decisions but at the same time adopt rules allowing taxpayers an opportunity to be heard on small matters without rigid rules of procedure.

  
J. Peyton Parker, Jr.

JPPJr/jf

The Honorable B. B. Rayburn  
State Senator  
Bogalusa, Louisiana 70427

Dear Senator:

As a member of the Special Revenue Sharing Committee, I hope that you, in your final decision on a formula, will include all municipalities as they need this help.

Thanking you, I remain.

Sincerely yours,



E. W. Hageman, Mayor

EWH/js

City of Pineville  
Pineville, Louisiana 71300

MAYOR  
FRED BADEN  
CITY HALL  
445 7183

ALDERMEN  
WARD 1  
WILLIE GOLEMAN  
505 MELROSE  
443 8495

WARD 2  
CHARLES NUGENT  
79 HILLCREST  
442 1040

WARD 3  
RALPH KEES  
1421 COLLEGE DRIVE  
442 7144

WARD 4  
A T MCKNELY  
1913 JEWEL ST  
443 9565

ALDERMAN AT LARGE  
STEVE BORDLON  
530 BERNICE ST  
442-3983

CITY ATTORNEY  
WILLIAM FORD  
624 MURRAY  
ALEXANDRIA, LA 71301  
449 3680

April 19, 1973

Special Revenue Sharing  
Committee  
State of Louisiana

Gentlemen:

I would like for you as a committee member on the Special Revenue Sharing Committee to please be considerate of the needs of the cities who are agents of the state, trying to perform state functions.

We solicit your whole-hearted support in what ever effort you might make on behalf of the cities of this great state.

We want to say in closing that we appreciate the great effort put forth by your committee and we hope that your efforts will be rewarded and your recommendations considered.

Sincerely yours,

  
FRED H. BADEN, MAYOR  
PINEVILLE, LOUISIANA

FHB/cm

cc: Hon. Carl Gunter  
Hon. Cecil Blair

TO: Delegate Conroy

DATE: April 25, 1973

FROM: Research Staff;  
Revenue, Finance and Taxation

Re: (1) List of constitutional provisions of recently adopted Kentucky Constitution regarding revenue, finance and taxation.

(2) Explanation of workings of Kentucky System; solution to property tax problems similar to Louisiana's.

1. Constitution of Kentucky

- 169. Fiscal year.
- 170. Property exempt from taxation; cities may except factories for five years.
- 171. State tax to be levied; taxes to be levied and collected for public purposes only and by general laws, and to be uniform within classes; classification of property for taxation; bonds exempt; referendum on act classifying property.
- 172. Property to be assessed at fair cash value; punishment of assessor for willful error.
- 173A. Assessment of farm land according to value for farm purposes.
- 173. Officer receiving profit on public funds guilty of felony.
- 174. Property to be taxed according to value, whether corporate or individual; income, license and franchise tax.
- 175. Power to tax property not to be surrendered.
- 176. Commonwealth not to assume debt of county or city; exemption.
- 177. Commonwealth not to lend credit, nor become stockholder in corporate, nor build railroad or highway.
- 178. Law for borrowing money to specify purpose, for which above money may be used.
- 179. Political subdivision not to become stockholder in corporation, or appropriate money or lend credit to any person, except for roads or State Capitol.
- 180. Poll tax; act of ordinance levying any tax must specify purpose, for which above money may be used.
- 181. General Assembly may not levy tax for political subdivision, but may confer power; license and excise taxes; city taxes in lieu of ad valorem taxes.
- 182. Railroad taxes; how assessed and collected.

2. How did Kentucky solve its property tax problems which were similar to those of Louisiana? <sup>1</sup>

Kentucky approach to equilization was to assess all taxable property at fair cash value. This caused many of the fears and anxieties that have arisen in Louisiana. Kentucky solved their problems by taking the following steps:

- (1) The department of revenue prepared technical procedures and instructions for local use; planned workshops for the county tax commissioners, and increased the size of the property

<sup>1</sup> From speech by J.E. Luckett, Kentucky Commissioner of Revenue, September 27, 1966.

tax field staff to provide more technical assistance. In the pre-assessing period

county tax commissioners were specifically instructed not to make individual assessments final. The department of revenues field staff took samples of assessments to evaluate and notify the county tax commissioner if the assessments were out of line with target assessments.

(2) The legislature met in a special session and passed House Bill No. 1. The Bill provided for:

- a.) reduction of fixed state rates on real and tangible personal property to offset the increase in assessment to fair cash value;
- b.) roll-back of school, county and city property tax revenue to the 1965 level, except for revenue from new property;
- c.) permission increases of school, county and city tax levies of not more than ten per cent, for each of the next two years, after public hearings.



STATE OF LOUISIANA  
DEPARTMENT OF HIGHWAYS  
P O BOX 42245 CAPITOL STATION  
BATON ROUGE LA 70804

May 3, 1973

Honorable James Brown, Chairman  
Subcommittee on Finance  
Committee of Revenue, Finance and Taxation  
Louisiana Constitutional Commission  
State Capitol Building  
Baton Rouge, Louisiana 70804

Dear Sir:

Enclosed herewith are several copies of a suggested revision of the Constitutional provisions relative to the Department of Highways, the Board of Highways, and the financing of the work of the Department of Highways. These revisions would replace the present Section 1f, 1f.1, 1f.2, 18.1, 19.4, 20, 21, 22, 23, 23.1, 24, 24.1, 25, and 25.1, all in Article VI.

Much of the material being replaced is obsolete, and the enclosure is a somewhat simplified version of the material which should be retained.

You will note that this material has not been numbered as to sections and paragraphs. Should you desire any further discussion of this material, I will be happy to try to respond to any questions that the Committee might have.

The material enclosed here does not attempt to deal with the provisions contained in Section 22(g), and I call that to your attention because repeal of Section 22(g) might have an adverse effect on other agencies of the State.

Yours very truly,

Original Signed By  
PHILIP K. JONES  
PHILIP K. JONES  
General Counsel

PKJ/pr  
Enclosures  
Cc: Mr. James Norris  
Constitutional Committee

CONSTITUTIONAL PROVISIONS

PROPOSED BY LOUISIANA DEPARTMENT OF HIGHWAYS

The Legislature shall provide for the establishment and maintenance of a system of state highways and bridges, shall provide for a general highway fund for the construction and maintenance thereof; shall authorize the acquisition, by expropriation or otherwise, of rights of way for highways and for drainage therefor; may provide for the acquisition by expropriation or otherwise of property necessary or useful for the purpose of building, operating and maintaining highways and buildings and desirable appurtenances thereto, and shall provide for a Department of Highways, under the supervision of a Board of Highways.

The Board of Highways shall consist of nine members, one of whom shall be ex-officio, the Governor, and one shall be appointed by the Governor from each congressional district; the members of the Board presently in office shall complete their present terms and may be re-appointed; two shall have terms of four years coinciding with that of the Governor and the others shall serve terms of six years, staggered so that one member is appointed each year. New appointees shall fill the unexpired term of the retiring or deceased member. It shall be the duty of the Secretary of State to compile a panel of names submitted by the governing authorities of the several parishes and the City of New Orleans, each submitting a list of ten names annually, from which the remaining members of the Board shall select seven from which the Governor must make an appointment within thirty days after the vacancy occurs. No member of the Board shall be a member of the Legislature nor hold any salaried public office or employment for compensation (other than per diem) existing under the laws of the United States, the State of Louisiana, or any municipality or subdivision thereof, and may be removed only by the Legislature and for cause only.

The Board shall hold an open meeting at least once per month, and other meetings at its discretion or at the call of the chairman. A majority of the members of the Board constitutes a quorum; the Governor may vote only in the case of a tie vote.

The Board of Highways shall have general control, supervision of the management and direction of the Department of Highways. It shall have authority to establish, construct, and extend, improve, maintain and regulate the use of the state highways and bridges. It may make such studies and investigations as it thinks necessary. It shall formulate the policies, plans and procedures of the Department, execution of which may be delegated by it to the Director and other employees within the scope of its functions. The Board shall appoint the Director. The Chief Engineer and the General Counsel and their assistants shall be in the classified service of the State. No member of the Board may prescribe or direct the conduct of the Department nor the action of any employee

thereof in any matter or case unless first authorized by the Board. The Board shall take no action except in public meeting, which action shall be recorded in the minutes. The Board and the Department shall be represented in all legal matters by the General Counsel or his designated assistant.

The Director of Highways is the executive officer of the Department, appointed by and serving at the pleasure of the Board; his compensation shall be fixed by the Board. He shall

-2-

serve on a full time basis. Under the direction, supervision and control of the Board of Highways, the Director has the management of the Department and shall exercise all of the functions of the Department through the Department organizations provided for by law, except those functions which are specially assigned to the Board of Highways under the provisions of this section. The Department cannot act otherwise than through the Board of Highways or the Director or through someone acting under authority of the Board or Director. Every lawful act of the Director performed in his official capacity is the act of the Department. The Department of Highways shall be in the Executive Department of the State.

-3-

The bonds heretofore sold by the Department of Highways shall continue to be lawful obligations of the Department, and, until said bonds are paid in full, the taxes heretofore levied on motor fuels, motor vehicle licenses, the use fuel tax, the taxes upon lubricating oils, and the dedication of all royalties and bonuses including annual delay rentals, heretofore provided by Article IV, Section 2 (c), shall continue to be collected, any excess over the amount required to pay the principal and interest on said bonds being paid into the General Highway Fund.

All Constitutional provisions, or laws, now in force relative to the construction and maintenance of highways, shall remain in force until the Legislature shall enact legislation to carry into effect the provisions of this Constitution.

-4-

PROPOSED CONSTITUTIONAL PROVISION  
GREATHER NEW ORLEANS EXPRESSWAY

The Legislature shall have authority to authorize the taking or property for highway purposes by orders rendered ex parte in expropriation suits prior to judgment therein provided that provision be made for deposit before such taking with a court officer for the amount of appraisals of the property so taken and damages to which the owner thereof may be entitled, if any, which appraisals may be made in such manner as may be provided by law either before or after institution of suit, and need not be by judicially appointed appraisers.

It is a public purpose and in the public interest to expend public funds in connection with the construction, reconstruction or improvement of state highways for the acquisition of the full ownership or any lesser interest in property in order to protect the public investment, promote the safety and recreational value of public travel, and restore, preserve and enhance the scenic beauty of or points of interest in areas traversed by state highways.

To accomplish these purposes and to insure maximum participation of federal-aid highway funds made available in accordance with the provisions of Title 23 of the United States Code, the Legislature is authorized to vest in the Department of Highways the full police power of the State, through zoning authority or otherwise, and such additional powers of expropriation as may be considered necessary.

-5-

NATIONAL BANK OF COMMERCE BLDG.  
NEW ORLEANS, LOUISIANA 70112  
JACKSON 5 8575

**WILLIAM MCM. KING**  
ATTORNEY AT LAW  
NEW ORLEANS AND COVINGTON, LOUISIANA

P. O. Box 1029  
81 EAST BOSTON STREET  
COVINGTON, LOUISIANA 70433  
JACKSON 5 8740  
802 0242

May 3, 1973

Hon. B. B. "Sixty" Rayburn  
Chairman  
Committee on Revenue & Taxation  
Constitutional Convention  
State Capitol Building  
Baton Rouge, Louisiana

Dear "Sixty":

By direction of the Greater New Orleans Expressway Commission I enclose herewith proposed Constitutional provision which greatly shortens that part of the Constitution Article VI, Section 22, sub-section "G" of the present Constitution which pertains to the Lake Pontchartrain Causeway.

I am simultaneously sending a copy of the enclosed proposed provision to Hon. Chalin O. Perez.

Very truly yours,

*William M. King*  
WILLIAM MCM. KING

WMK/bl

There shall be continued that special fund heretofore created from monies received and to be received from vehicular license taxes in the Parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa and St. Tammany Parish, and dedicated to the payment of principal and interest on revenue bonds of the Parishes of St. Tammany and Jefferson for the construction of the Lake Pontchartrain Causeway and its improvements and approaches (known as Greater New Orleans Expressway).

The power and authority of the Parishes of Jefferson and St. Tammany to jointly construct the causeway and to issue revenue bonds jointly for such purpose, and to charge reasonable tolls for its use is hereby expressly confirmed. The power and authority of the Parishes of Jefferson and St. Tammany to jointly maintain and operate the causeway and to do whatever is necessary and proper in connection therewith is hereby expressly confirmed. Said revenue bonds shall be payable solely from the tolls and other revenues derived from the Expressway and the other funds dedicated therefor pursuant hereto.

So long as any of said revenue bonds issued by the Parishes of Jefferson and St. Tammany are outstanding neither the State of Louisiana nor any municipality, parish, political subdivision or agency thereof nor any body under its control shall construct or permit the construction or operation of any vehicular bridge, causeway, tunnel or ferry across Lake Pontchartrain at any point within ten miles of the Expressway.

The Parishes of Jefferson and St. Tammany are hereby granted the right and privilege to jointly construct, operate and maintain the Expressway over, under, through, and across any State owned lands, surfaced or submerged necessary therefor.

The Expressway is hereby declared to be a part of the State Highway system and the State Department of Highways shall continue to maintain its approaches, and is authorized to enter into contracts with the Parishes of Jefferson and St. Tammany for its operation and maintenance.

The purpose of this provision is to secure the development of the Expressway and it shall be liberally construed to effectuate such purpose and shall be self-operative.



MARY EVELYN PARKER  
TREASURER

State of Louisiana

OFFICE OF THE TREASURER

Baton Rouge

70804

May 7, 1973

Honorable James H. Brown, Jr.  
State Senator  
Post Office Box 797  
Ferriday, Louisiana 71334

Dear Senator Brown:

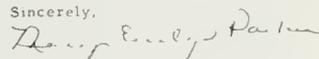
Your committee last week requested from a member of my staff information and recommendations with regard to eliminating all revenue dedications from the State's constitution.

Much has been discussed in the past about dedications as they relate to State finances, and as State Treasurer I recognize first hand the complexity and the task involved in maintaining records for analyzing and assessing the fiscal operations of the State. The need for a change is evident, especially when the majority of these funds are no longer self-sustaining and require support from the State General Fund, or where the Legislature is limited or unable to utilize from dedications any excess for financing of other priority needs.

The suggested recommendations as submitted herewith are intended to simplify the mechanics and processes of accountability for all State receipts. Additionally, it will stimulate the new cash management program in fully utilizing these funds for investment in generating interest income.

With respect to fund withdrawals, I feel that the Legislature should have the prerogative to review, evaluate, and determine by specific appropriation the disposition of all monies from the State Treasury.

Please call on us if we can be of further assistance to you and your committee.

Sincerely,  
  
 Mary Evelyn Parker  
 State Treasurer

me:p:0

Enclosures

DRAFT

CONSTITUTIONAL PROVISIONS

- All Taxes, Licenses, Fees, Operating Receipts, Federal Funds, Private Grants and collections of all kinds by State Boards, Commissions, Agencies and Departments shall be paid into the State Treasury immediately upon receipt, and shall be credited to those funds created in this Constitution or by the Legislature.
- All available funds in the custody of the State Treasurer shall be invested by the State Treasurer in a method as may from time to time be prescribed by the Legislature. Interest earnings from these investments shall be credited to the State General Fund and expended as prescribed by the Legislature.
- No money shall be withdrawn from the State Treasury except in pursuance of specific appropriation made by law.

EFFECTS

Item 1

Present:

Not all state revenues and receipts are paid into the State Treasury. Some state agencies retain their receipts based on constitutional or statutory provisions. Many of the constitutional and statutory revenue dedications are no longer self-sustaining and require the support of the State General Fund to meet their obligations. But, where constitutional revenue dedications exceed requirements, the Legislature is limited or unable to use the excess for financing other state government services.

Proposal:

Provides for all types of revenue and receipts to be channeled and accountable in the State Treasury. It further provides that monies once accounted for can be transferred to any created constitutional or statutory fund, if and when the Legislature enacts the necessary legislation.

Item 2.

Present:

Statutory provisions govern the cash management program, investment procedures, and provide for the disposition of interest earnings to the State General Fund. Sought after legislative change to this provision has been developing to credit this interest income to the many special funds held in the State Treasury. Such a change would deprive the State General Fund of recurring income and create complex record keeping.

Proposal:

Strengthens through constitutional provisions the requirement that all funds not immediately needed for operations will be invested and provides that the methods for investment can be altered through legislation to meet our changing times. Additionally, the interest earnings would become a permanent source of income to the State General Fund.

Item 3.

Present:

Funds are disbursed from the State Treasury through the enactment of yearly appropriations, special acts, permanent constitutional and statutory dedications. The latter are not presented to the Legislature for review and evaluation when their revenues exceed requirements, but only if the need exceeds the income.

Proposal:

Simply provides that the Legislature will be required to act on the disposition of all monies to be disbursed from the State Treasury whether they represent yearly appropriations, special acts or permanent dedications.



OFFICERS:

- Henry C. Schindler, Jr.  
President
- Roy H. Gonzales  
Vice President
- Valentine Riess  
Parish Manager
- Raymond M. McDougall  
Secretary-Treasurer
- Anthony A. Fernandez, Jr.  
Assistant Secretary

MEMBERS:

- Bertrand A. Odinet  
First Ward  
248 Friccaillon Avenue  
Arabi 70032
- Henry C. Schindler, Jr.  
First Ward  
926 Maple Avenue  
Arabi 70032
- Roy H. Gonzales  
Second Ward  
117 Norton Avenue  
Arabi 70032
- Peter Pernicaro  
Second Ward  
58 Carolyn Court  
Arabi 70032
- Nunzio S. Cusimano  
Third Ward  
2005 Marveta Street  
Chalmette 70043
- John A. Metzler  
Third Ward  
2800 1/2 Place  
Chalmette 70043
- Louis P. Munster  
Third Ward  
2118 Paul Road  
Chalmette 70043
- Celestine Melernie  
Fourth Ward  
Route 1, Box 192  
Vidout 70082
- Claude S. Humphrey  
Fourth Ward  
2012 Mulhoney Road  
Chalmette 70043
- Poland J. Bergeron, Jr.  
Fifth Ward  
Box 35  
P.O. Box 10085
- Halter S. Malero  
Fifth Ward  
Box 26  
P.O. Box 70085

Police Jury  
**St. Bernard Parish**

St. Bernard Courthouse Annex  
 CHALMETTE, LOUISIANA 70043

May 7, 1973

271-0421

Constitutional Convention  
 Baton Rouge, Louisiana

Gentlemen:

At its meeting of April 24, 1973, the St. Bernard Parish Police Jury passed a resolution requesting the Constitutional Convention members to give special consideration regarding exemptions to the old age citizens of the state.

Your consideration of this matter would be greatly appreciated.

Yours truly,

ST. BERNARD PARISH POLICE JURY

  
 ANTHONY A. FERNANDEZ, JR.  
 ASSISTANT SECRETARY

AAFjr/lg

WAYNE K. ROBERT  
 PRESIDENT  
 WILMER ROBERTS  
 VICE PRESIDENT

DISTRICT A  
 WILMER ROBERTS

DISTRICT C  
 LOUIS P. BEELIS  
 LAWRENCE FARACHER  
 ROBERT FRANKLAND  
 LEONARD L. WICK

DISTRICT D  
 FLOYD J. GRANBERG



**CALCASIEU PARISH POLICE JURY**

P. O. Box 1583 433-3661

LAKE CHARLES, LOUISIANA 70601

RODNEY M. VINCENT  
 PARISH ENGINEER-ADMINISTRATOR  
 LARRY ALSTON  
 TREASURER  
 JENNABETH P. SMYTHE  
 SECRETARY

DISTRICT B  
 G. P. BABINEUX  
 JULIAN W. GONDIS  
 C. A. ELLIOTT  
 FRED R. GOSWINE  
 KENNETH J. JETAR  
 WAYNE SINKOFF  
 CHARLES S. SIMOIS  
 PETA J. WARDEN  
 GENE WITTLER

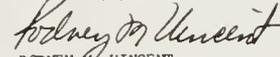
May 8, 1973

Constitutional Convention Committee  
 State Capitol Building  
 Baton Rouge, La. 70804

Gentlemen:

Enclosed please find certified copy of resolution as adopted by the Calcasieu Parish Police Jury, convened in regular session on the 2nd day of May, 1973, relative to a recommendation concerning special tax considerations being included in the new proposed State Constitution.

Very truly yours,

  
 RODNEY M. VINCENT  
 Parish Engineer-Administrator

RMV:cn

cc: Governor Edwin Edwards

Enclosure

RESOLUTION

BE IT RESOLVED BY THE POLICE JURY OF CALCASIEU PARISH, LOUISIANA, convened in regular session on the 2nd day of May, 1973, that it does hereby go on record as urging that special tax consideration be omitted from the Louisiana Constitution and left to Legislature, but if the Constitutional Convention decides to retain special tax consideration that it retain the provisions of Article 10, Section 1, of the Louisiana Constitution as revised by Act 759 relative to the severance tax on timber and particularly endorsing the method of distribution of said tax.

BE IT FURTHER RESOLVED that a certified copy of this resolution shall be forwarded to the Constitutional Convention for consideration.

\* \* \* \* \*

CERTIFICATE

I, the undersigned, do hereby certify that the above and foregoing is a true and correct copy of resolution as adopted by the Calcasieu Parish Police Jury, convened in regular session on the 2nd day of May, 1973.

*James A. Smith*  
SECRETARY

May 14, 1973



STATE OF LOUISIANA, CONSTITUTIONAL CONVENTION OF 1973, P. O. BOX 17740 A BATON ROUGE LOUISIANA 70803  
TELEPHONE 389 5034

E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

TO: Chairman of the Substantive Committees of the Constitutional Convention

Gentlemen:

Several errors have been found in Coordinating Committee Staff Memorandum No. 3 which was mailed to you last week. This Staff Memorandum presented the recommendations of the Coordinating Committee as to committee jurisdiction over constitutional provisions under consideration by two or more substantive committees of the convention.

Please make the following corrections in the last column ("Committee or Committees To Assume Responsibility") of your copy of Staff Memorandum No. 3:

Article III, Section 37, on page CC-3: strike out "Bill of Rights and Elections" in the last column and insert in lieu thereof: "Coordinate: Bill of Rights and Elections and Local and Parochial Government"

Article IV, Section 4, on page CC-4, it was determined that the Committee on Legislative Powers and Functions would assume responsibility for preparation of the section, but any substantive committee having interest in any provision thereof may propose a provision prohibiting enactment of local or special laws in such area.

Article VI, Section 16, on page CC-10, relating to the Port of New Orleans: In the last column, strike out the words "Natural Resources & Environment" and insert in lieu thereof "Local and Parochial Government"

Article VI, Section 19.1, on page CC-10, relating to expropriation for highway purposes: In the last column strike out "Bill of Rights and Elections" and insert in lieu thereof: "Coordinate: Bill of Rights and Elections and Executive Department"

We regret the above errors in the Memorandum and hope your committee consideration is not thereby deterred.

Kindest regards,

*Norma M. Duncan*  
Norma M. Duncan  
Director of Research

NMD:kb

[688]



E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

STATE OF LOUISIANA, CONSTITUTIONAL CONVENTION OF 1973, P. O. BOX 17740 A BATON ROUGE LOUISIANA 70803  
TELEPHONE 389 5034

May 31, 1973

MEMORANDUM

TO: Honorable B. B. (Sixty) Rayburn, Chairman, Committee on Revenue, Finance and Taxation  
FROM: Robert J. Aertker, Chairman, Committee on Education and Welfare  
RE: Recommendations relative to constitutional provisions.

The Committee on Education and Welfare wishes to inform you of action taken on the provisions listed below.

- Article X, §7 Inheritance and donation; exemptions. Recommendation: Retain the exemption for donations and legacies made to charitable, religious or educational institutions.
- Article X, §10 Political subdivisions, special taxes. Recommendation: Retain the provision allowing a levy of taxes to acquire sites for and for constructing or improving public school buildings.
- Article X-A, §4 Payment to Louisiana State University. Recommendation: Delete if dedications are removed from the constitution.

In the proposed provision relative to the new structure for governance of institutions of higher education, we have indicated that the Board of Regents shall submit a budget requesting funds for those institutions under its jurisdiction. The committee wanted to inform you in light of the Coordinating Committee's recommendation that we coordinate our efforts as it relates to these provisions.

May 31, 1973  
Page Two

The committee would be interested in receiving the results of your committee's review of Article XII, Section 16. We have been advised that a general provision in the constitution concerning outstanding indebtedness would be sufficient and this provision could be deleted.

Any information regarding this matter would be appreciated.

Cordially,

*Robert J. Aertker*  
Robert J. Aertker, Chairman,  
Committee on Education and Welfare

RJA/pl



E. L. HENRY  
Chairman  
NORMA M. DUNCAN  
Director of Research

STATE OF LOUISIANA, CONSTITUTIONAL CONVENTION OF 1973, P. O. BOX 17740 A BATON ROUGE LOUISIANA 70803  
TELEPHONE 389 5034

June 1, 1973

MEMORANDUM:

TO: Honorable B. B. Rayburn, Chairman of the Committee on Revenue, Finance and Taxation  
FROM: Cecil R. Blair, Chairman, Legislative Powers and Functions

RE: Recommendations relative to present constitutional provisions - Board of Liquidation

The Committee on Legislative Powers and Functions wishes to express to you its views on the authority which should be granted to the Board of Liquidation. In view of the fact that the Coordinating Committee has assigned primary responsibility to your committee for consideration of Article IV, sections 1(a) and 2(a) - Board of Liquidation - and since this committee had requested that it be assigned primary responsibility, we are forwarding our views to you.

It is the view of this committee that if the legislature has not appropriated money for an agency, board, or commission which it has created, then the Board of Liquidation should not have authority to appropriate out of its monies to fund the agency, board, or commission or its activities. The committee feels this way, because it views the primary purpose of the Board of Liquidation to be one of appropriating money in emergency situations when the legislature is not otherwise in session.

Respectfully submitted,

*CR Blair*  
Cecil R. Blair  
Chairman, Legislative Powers and Functions

CRB/ma

**DISABLED AMERICAN VETERANS**

June 1 1973

Honorable E. B. Rayburn,  
Chairman, Revenue, Finance & Taxation Committee  
Louisiana Constitutional Convention  
Avenue B  
Bogalusa, Louisiana 70427

Dear Sir:

In exchange of correspondence with the Chairman of the Louisiana Constitutional Convention, the Honorable E. L. Henry, relative to the Homestead Exemptions, I was advised that the Revenue, Finance and Taxation Committee would handle this matter.

As Legislative Chairman, Department of Louisiana, Disabled American Veterans, I appeared before the Composite Committee of the Louisiana Constitutional Convention, at Shreveport, La., on April 27th. For your consideration I am enclosing a copy of my statement before the Committee.

The Department of Louisiana, Disabled American Veterans in Convention at Shreveport, La., May 4th, 5th and 6th, 1973, took into consideration the Veterans Homestead Exemption Act in the existing State of Louisiana Constitution and passed a Resolution expressing the views of the organization. A copy of this resolution is also enclosed for your information and kind consideration.

I hope this Committee in its deliberations will consider the following:

The State of Louisiana has granted tax exemptions to a number of big industries as inducement to locate in Louisiana and thereby create more jobs and improve the employment situation. We find no fault with this, but have you considered the fact that the Homestead Exemption which allows the home owners to have more money to spend for material and services they need. Ninety per-cent of this money goes into circulation immediately and creates and maintains many times the number of jobs industries bring into the state.

Relative to the \$5000.00 Homestead Exemption for veterans. The people of Louisiana have shown a number of times by their votes that approve of this Homestead Exemption for veterans. They feel that those who served our Country in time of war deserve more consideration than those who didn't, therefore they believe the veterans entitled to the exemption in payment for the service he rendered, the sacrifices he made and the hardships he endured.

Thanking you in advance for your attention and respectfully asking for your support in this matter, I beg to remain,

Sincerely yours,  
*Paul L. Stuart*  
Paul L. Stuart, Legislative Chairman  
Disabled American Veterans

630 Topeka St  
Shreveport, La. 71101

DISABLED AMERICAN VETERANS  
DEPARTMENT OF LOUISIANA

RESOLUTION # 4

WHEREAS; the Disabled American Veterans in Convention at Shreveport, Louisiana, May 4, 5, and 6, 1973 took into consideration the Veteran's Homestead Exemption Act in the existing State of Louisiana Constitution with an expiration date of December 31 1975, and

WHEREAS: the Governor of the State of Louisiana has called a Constitutional Convention for the purpose of writing a new State of Louisiana Constitution.

THEREFORE BE IT RESOLVED: that we wholeheartedly go on record instructing the Delegates here assembled and the Officers of the Department of Louisiana, Disabled American Veterans to contact the Delegates to the State of Louisiana Constitutional Convention seeking their support in retaining both the regular \$2000.00 Homestead Exemption and the \$5000.00 Veteran's Homestead Exemption without an expiration date in the new Constitution, and

BE IT FURTHER RESOLVED: that we will not support the adoption of a new Constitution that eliminates the Homestead Exemptions and which would thereby make the home owners pay more taxes.

Submitted by Paul L. Stuart, Legislative Chairman

Unanimously adopted by the Delegates to Department of Louisiana Disabled American Veterans Convention at Shreveport, Louisiana May 6th 1973

STATEMENT BY DISABLED AMERICAN VETERANS  
PAUL L. STUART, LEGISLATIVE CHAIRMAN  
BEFORE THE COMPOSITE COMMITTEE, LOUISIANA CONSTITUTIONAL CONVENTION. FRIDAY APRIL 27 1973

Mr. Chairman and Members of this Distinguished Committee:

I wish to thank you for the privilege of appearing before you and for the opportunity of presenting the views of the Disabled American Veterans, which represents the thinking of the membership, as reflected by resolutions adopted during our last Department of Louisiana Convention.

It is my understanding that the purpose of this hearing is to find out what the people want retained in the new Constitution. I know there are many here that want to be heard, therefore, I will try to make my remarks as brief as possible and respectfully ask the Committee to give my statement as much thought and consideration as I have given to making it.

In three more years our great Nation will celebrate it's two-hundredth Birthday. This is longer than any other democratic form of government in history has been able to exist. The reason this Nation has been able to exist so long is due, not only to the principles upon which our Nation was founded, but mainly because the American people believe in those principles so strong, they are willing to defend them unto death. Nearly every generation of young Americans have been called upon to fight and die in defense of our Nation. The American people are aware of the many sacrifices and the hardships these young men had to endure. The people are grateful and feel a deep obligation to them, Consequently from time to time they have tried to pay their debt to these veterans by voting for legislation to give the veterans certain financial benefits, such as the Veteran's Homestead Exemption Act. Those selfish individuals who would begrudge and deny the veterans this token of appreciation should join their friends, the draft-card burners, draft dodgers and deserters that have sought sanctuary in foreign lands, for he is their kind of people.

The Veteran's Homestead Exemption Act became law by a referendum of the people of Louisiana, it's expiration date has been extended several times by referendum, so there is no reason to believe that the people would now want it left out of the new Constitution.

Continued on page -2-

Page -2-

At the time of the enactment of the Veteran's Homestead Exemption Act, it was considered a gratuity for services rendered by the veterans, however, today with ever growing inflation, to many it is more than that. To the old World War I veterans living on a small Social Security check, to the sick and disabled veterans of all wars whose disability keep them from earning a decent living and to many veteran's widows who have a very meager income, this exemption has become a very real need.

The Constitutional Convention will be making a serious mistake if it does not include both the regular \$2000.00 Homestead Exemption and the \$5000.00 Veteran's Homestead Exemption without an expiration date in the new Constitution. Both of these exemptions are in the present Constitution by the vote of the people and I don't believe the people will vote for a new Constitution that does not include them. With the ever growing cost of living, the home owners in Louisiana are in no mood to vote additional taxes upon themselves. The elimination of the exemptions are one and the same thing.



Attached are two opinions dated July 24, 1973, addressed to the Bond Commission which explain our reasons for concluding that for 1972, 1973 and subsequent years, the debt limit should be based upon the value of taxable property with no deductions for homestead exemptions.

Briefly, as to 1972, a Louisiana Supreme Court case has held that the debt limit must be computed upon the tax roll that was in effect at the time the tax was submitted to the voters. And as the 1972 tax roll was not affected by the amendment to Article X, Section 4 regarding homestead exemptions, the debt limit computation would not be affected.

As to 1973, and subsequent years the second opinion concludes that the Legislature in adopting Act 104 of 1973 which was authored by you has implemented the provision of Article XIV, Section 14(f), by supplying a definition to the term "taxable property" to include for calculation of debt limit, all property whether subject to homestead exemption or not.

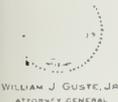
I trust that this letter and the attached opinions will be of some aid to you in answering the question which you have asked.

Very truly yours,



WILLIAM J. GUSTE, JR.  
Attorney General

Encl.



State of Louisiana  
DEPARTMENT OF JUSTICE  
Baton Rouge  
70824

July 24, 1973

State Bond Commission  
Fifth Floor, State Capitol  
Baton Rouge, Louisiana

Gentlemen:

This is in reference to my letter to you dated May 31, 1973, concerning debt limitations on bonds of political subdivisions of the State and is supplemental to my letter of July 23, 1973 as that opinion dealt only with debt limitations based on the 1972 Assessment Rolls.

In the first letter I mentioned that this office has had under review the entire subject of debt limitations and that legislation was introduced during the fiscal session of 1973 to clarify and interpret the provisions of Article XIV, Section 14(f) of the Louisiana Constitution, and R.S.

39:562 with respect to the establishment of debt limitations on the issuance of bonds by political subdivisions. In my letter I recommended a resolution of the Bond Commission approving the holding of elections by political subdivisions of the State, which approval would be given by the State Bond Commission; however, further subject to the limitation that the Bond Commission was giving conditional authority to hold an election and that further approval of the Bond Commission would be required prior to the issuance of bonds by political subdivisions.

My office has reviewed the legislation passed in the 1973 Fiscal Session, particularly Acts 104 and 213. Act 104 provides in pertinent part as follows:

"Section 2. The legislature hereby desires to clarify and interpret the provisions of Article XIV, Section 14(f) of the Louisiana Constitution and R.S. 39:562 in the light of its intent in enacting Act No. 18. As

State Bond Commission  
July 24, 1973  
Page -2-

used in Article XIV, Section 14(f) of the Louisiana Constitution and R.S. 39:562 the phrase 'assessed valuation of the taxable property of such subdivision' shall be interpreted to mean the total amount of assessed valuation of property on the assessment roll, including property subject to homestead exemption which property shall be included on the assessment roll only for the purposes of calculating debt limitation."

We are convinced that the legislature has the power and authority to pass an act implementing the provision of Article XIV, Section 14(f) and providing a definition of the phrase "assessed valuation of the taxable property of subdivision."

Therefore, it is our conclusion that the amount of the assessed valuation of property on the 1973 and subsequent assessment rolls including property subject to the homestead exemption shall be considered as taxable property, but only for the purposes of calculating debt limitations of the various political subdivisions. In view of these conclusions the opinion of this office dated March 5, 1973 is superceded due to the subsequent passage of Act 104 of 1973.

Very truly yours,

WILLIAM J. GUSTE, JR.  
Attorney General

WJGJ:rmj

# V. Documents and Transcripts

## A. Miscellaneous Documents

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#### COMPARISON OF VALUOR TAX EXEMPTIONS

CONSTITUTION OF 1921, ART. X, §4, AND C.P. NO. 26, §3

(Does Not Include Homestead Exemption and Related Provisions)

#### Constitution of 1921

1. all public property; property belonging to any military organization of the state used by State National Guard or militia for military purposes
2. places of religious worship
3. rectories and parsonages belonging to religious denominations and used as places of residence for minister
4. places of burial
5. schools and colleges
6. places devoted to charitable undertakings
7. such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same
8. athletic or physical culture clubs, associations or organizations having and maintaining active membership of not less than one thousand members, being nonprofit sharing organizations, holding, in equipped gymnasium, physical development classes open to all members daily, except Sundays and holidays, under supervision of regular physical director, with juvenile and junior classes, promoting in all ages above eight years, physical and health development
9. but exemption shall extend only to property, and grounds thereunto appurtenant, used for the above mentioned purposes and not leased for profit or income
10. cash on hand or deposit

#### C.P. 26

1. all public property
2. places of religious worship
3. property owned by religious denominations and used as residences for clergy or religious
4. places of burial, and property held by any religious denomination or nonprofit corporation or organization for burial purposes, but the exemption shall not apply to unsold lots, crypts, or places for burial nor shall it apply to lands held for development as places for burial, when so held for profit
5. universities, schools and colleges
6. places devoted to charitable undertakings, hospitals and nursing homes for the aged, convalescent and rehabilitation facilities, institutions for treatment, rehabilitation and care of the physically and mentally handicapped or retarded, orphanages, child and/or day care centers which are organized as non-profit corporations under the Louisiana non-profit corporation law and which are exempt from federal and state income taxation laws which are licensed or regulated by the state of Louisiana.
7. organizations such as lodges and clubs organized for charitable and fraternal purposes and practicing the same
8. Committee seemed to feel this only applies to N.O. Athletic Club and perhaps N.O. YMCA and likely YMCA would be covered by (6) and/or (7) above
9. but the exemption shall extend only to property, and grounds thereunto appurtenant, used for the above mentioned purposes, and not leased for profit or income
10. cash on hand or deposit

<u>Constitution of 1921</u>	<u>C.P. 26</u>		<u>Constitution of 1921</u>	<u>C.P. 26</u>
11. none	11. stocks and bonds, except bank stock which shall be assessed and taxed solely as provided by law, and the tax paid by the banking institution	30. bridges built under federal loan that cross the Mississippi River so long as bonds and other evidences of indebtedness are outstanding and thereafter so long as the bridge is operating toll free (for text see ¶12)	30. Committee considered this to be covered adequately under exemption of "all public property."	
12. loans or other obligations secured by mortgage on property located exclusively in the State of Louisiana, and the notes or other evidences thereof	12. obligations secured by mortgage on property located in Louisiana and the notes or other evidence thereof	31. toll free bridges or bridges operated for toll necessary for the proper maintenance of the bridge (for text see ¶13)	31. none	
13. loans by life insurance companies to policyholders, secured solely by their policies	13. loans by life insurance companies to policyholders, if secured solely by their policies	32. highlines, transmission lines and distributions lines of the electric cooperatives for a period of 25 years succeeding their completion (for text see ¶14)	32. none	
14. the legal reserve of life insurance companies organized under the laws of this state	14. the legal reserve of domestic life insurance companies			
15. loans by homestead associations to their members, secured solely by stock of said associations	15. loans by homestead or building and loans associations to their members, if secured solely by stock of said associations			
16. debts due for merchandise or other articles of commerce or for services	16. debts due for merchandise or other articles of commerce or for services rendered			
17. obligations of the State or its political subdivisions	17. obligations of the state or its political subdivisions			
18. household property to the value of one thousand dollars; books, philosophical apparatus and paintings kept in a public hall; there shall exempt from all ad valorem taxes everything used by a family that goes into the make-up of household furniture that is not permanently attached to the building, including household furniture, private libraries, musical instruments, (including pianos, radios, and television sets), drapes and rugs, as well as other movable furnishings in the house	18. all personal property used in the home or on loan in a public place	33. aircraft, hangars and equipment (OBSOLETE)	33. none (OBSOLETE)	
19. agricultural products while owned by the producer; agricultural implements used in the cultivation, production, and harvest of crops, as well as other machinery and equipment used exclusively for agricultural purposes, consistent with present day mechanized farm operations, all cattle, livestock, animals and poultry; property belonging to agricultural fair associations and used exclusively in the conduct of such fairs	19. agricultural products while owned by the producer, agricultural machinery and other instruments used exclusively for agricultural purposes, and all animals on the farm, and property belonging to agricultural fair associations	34. redevelopment corporations for a period of not more than 25 years, commencing in each instance on the date on which the benefits of such exemption first became available and effective (for text see ¶16)	34. none	
20. the real estate and appurtenant property constituting auditoriums, opera houses, temples of music, museums of art or carnival organizations, conducted as civic enterprises for the public welfare	20. all property used for cultural, Mardi Gras carnival or civic activities and not operated for profit to the owners	35. property of non-profit corporations devoted to the promotion of trade, travel and commerce and having assets devoted to such of not less than \$250,000.00 (for text see ¶18)	35. none	

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<u>Constitution of 1921</u>	<u>C.P. 26</u>		<u>Constitution of 1921</u>	<u>C.P. 26</u>
while used solely for the promotion of art and not operated for profit to the owners				
21. ships and ocean-going tugs, tow-boats and barges engaged in overseas trade and commerce and domiciled in Louisiana ports, but this exemption shall not apply to harbor, wharf, shed, and other port dues, and no ship, tugboat or barge operated in the coastal trade of the continental United States shall be within the exemption herein granted	21. all oceangoing vessels engaged in international trade and domiciled in Louisiana ports, but this exemption shall not apply to harbor, wharf, shed, and other port dues, and no vessel operated in the coastal trade of the continental United States shall be within the exemption herein granted	36. all raw materials, goods, commodities, and articles imported into Louisiana from outside of the continental United States under certain enumerated conditions [for text see ¶19(A)]	36. No change in substance [for text see C.P. 26, §(3)(G)(1)]	
22. boats, using gasoline as motor fuel	22. boats using gasoline as motor fuel	37. all raw materials, goods, commodities, held for export to a point outside the continental United States [for text see ¶19(B)]	37. No change in substance [for text see C.P. 26, §(3)(G)(2)]	
23. none	23. commercial vessels used for gathering seafood for human consumption	38. all goods, commodities, and personal property in storage while in transit through this state to a final destination outside this state [for text see ¶19(C)]	38. No change in substance [for text see C.P. 26, §(3)(G)(3)]	
24. servitudes of passage (easements, rights-of-way) granted to the State Department of Highways	24. rights-of-way granted to the State Department of Highways	39. The State Board of Commerce and Industry, with the approval of the governor, is authorized to enter into contracts for exemption of new manufacturing establishments and additions thereto, upon such terms and conditions as are in the best interest of the state. Detailed provisions regulate the period of exemption and define pertinent terms. (for text see ¶10)	39. Proposed section 3 (F) adopts in substance the present constitutional provisions with the following modifications: (1) approval of the local governing authority where the manufacturing establishment is located must be acquired; (2) omits the requirement that all property exempted by contract shall be listed on the assessment rolls and assessed at the end of the tax exemption period at not more than the average assessment ratio on all other property assessed by the assessor in the parish in which the property is located.	
25. irrigation, navigation and hydro-electric power systems (OBSOLETE: see ¶4)	25. none (OBSOLETE)			
26. Natural gas facilities (OBSOLETE: see ¶5)	26. none (OBSOLETE)			
27. manufacturing or commercial facilities on navigation canal (OBSOLETE: see ¶6)	27. none (OBSOLETE)			
28. bridges (OBSOLETE: see ¶7)	28. none (OBSOLETE)			
29. from state, parish and special taxes, all motor vehicles used on the public highways of this State, provided that this exemption shall not extend to any general or special tax levied by the governing authority of any municipality, or district created by any such municipality, unless the governing authority thereof shall provide for such exemption by ordinance or resolution	29. verbatim from 1921 Constitution			

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A COMPARISON OF COMMITTEE PROPOSAL 26  
WITH DELEGATE PROPOSAL 55 IN RELATION TO  
EXEMPTIONS FROM PROPERTY TAXATION

<u>CP 26</u>	<u>DP 55</u>
1. Homestead owned and occupied by any person	1. Homestead owned and occupied by every head of a family, or person having a mother or father, or a person or persons dependent on him or her for support
2. Favorable vote of 2/3 of elected members of each house can increase homestead exemption to \$5,000.00	2. No comparable provision
3. \$5,000.00 homestead exemption for veterans and persons sixty-five years or older	3. Additional \$2,000.00 exemption for veterans and persons 65 and older

ARTICLE IV - PUBLIC DEBT

§ 1. Full Faith and Credit Debt

Section 1. The State shall have no power to contract directly or through any State Board or State Agency the incurring of debt or the issuance of bonds involving the dedication of all or any part of the tax revenues imposed and collected by the State except upon the two-thirds vote of the elected membership of each of the Houses of the Legislature and then only if the funds are to be used to provide relief from natural catastrophies, suppress insurrection, redeem outstanding indebtedness or finance projects identified by nature, location, amount and priority classification in the State's approved Capital Budget or Budgets adopted according to law.

The bonds of other evidences of indebtedness authorized pursuant to this subsection shall be general obligations of the State and the full faith and credit of the State shall be pledged to the punctual payment of the principal of, interest and premium, if any, on said bonds or other evidences of indebtedness. The bonds or other evidences of indebtedness shall be additionally secured by the Bond Security and Redemption Fund. Except as hereinafter provided in this Section, and subject to prior contractual dedications heretofore made to the holders of outstanding obligations of the State of Louisiana and any of its boards, departments, commissions, authorities, and agencies, there is hereby dedicated to and shall hereafter be paid as collected into the Bond Security and Redemption Fund all State moneys received in the Treasury from each and every source whatever except:

(1) Fees and self-generated revenues, including revenues derived from the ownership or operation of an undertaking, facility or project; (2) Moneys received as gifts, grants, donations, aid or assistance or otherwise from the United States or any department, bureau or corporation thereof, or any person, firm or corporation, public or private, when the terms and conditions of such gift, grant, donation, aid or assistance requires the application and disbursement of such moneys otherwise than in accordance with the provisions of this Section; (3) Bond proceeds, Parish Road Royalty and Bond Funds, Levee Districts Funds, Retirement System Funds, Free School Funds, Performance Bonds and Deposits and Trust Funds.

The State Treasurer in each fiscal year shall set aside in, and there is hereby appropriated from the Bond Security and Redemption Fund, an amount of money sufficient to pay the principal of, interest, and premium, if any, on, and any sinking or reserve fund requirements with respect to all bonds payable from the funds as and when the same, respectively, become due and payable during that fiscal year. All moneys remaining in the Fund after such amount has been so set aside shall be transferred in the order or priority as follows:

First, to the various special funds created and established under the provisions of this Constitution, an amount equal to the amount which otherwise would have been paid into each of such

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| 4. No comparable provision  | 4. Applications for additional exemptions shall be made yearly   |
| 5. Homestead exemption extended to any municipal or city taxes levied for school purposes   | 5. Homestead exemption extended to any municipal or city taxes levied for school purposes only in Orleans Parish |
| 6. Legislature may provide tax relief to residential lessees in the form of credits or rebates in order to provide equitable tax relief similar to that granted homeowners through homestead exemptions | 6. No comparable provision   |
| 7. All public lands; all other public property used for public purposes   | 7. All public property   |

CP 26

CP 55

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| 8. Property owned by non-profit corporations or associations organized and operated exclusively for religion, dedicated places of burial, charitable, health, welfare, fraternal, or educational purposes, no part of the net earnings of which inure to the benefit of any private shareholder or member thereof and which is declared to be exempt from federal or state income tax; organizations such as lodges and clubs organized for charitable and fraternal purposes and practicing the same, and trade, business, industry, and professional societies and associations provided such property is owned by nonprofit corporations or associations under the laws of the state of Louisiana for such purposes, except property owned, operated, leased or used for commercial purposes unrelated to the exempt purpose of said corporation or association is not exempt | 8. Places of religious worship; property owned by religious denominations and used as residences for ministers; places of burial, and property held by any religious denomination or nonprofit corporation or organization for burial purposes, but the exemption shall not apply to unsold lots, crypts, or places for burial, nor shall it apply to lands held for development as places for burial, when so held for profit; places devoted to charitable undertakings, including that of such organizations as lodges and clubs organized for charitable and fraternal purposes and practicing the same; schools and colleges; nonprofit hospitals; but the exemption shall extend only to property, and grounds therunto appurtenant, used for the above mentioned purposes, and not leased for profit or income |
| 9. Stocks and bonds, except bank stocks, the tax on which shall be paid by the banking institution   | 9. No comparable provision  |
| 10. All property used for Mardi Gras Carnival  | 10. No comparable provision   |
| 11. All ships and oceangoing tugs, towboats, and barges engaged in international trade and domiciled in Louisiana ports  | 11. All oceangoing vessels engaged in international trade and domiciled in Louisiana ports  |
| 12. Commercial vessels used for gathering seafood for human consumption  | 12. Commercial vessels used for gathering seafood   |

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CP 26

DP 55

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|---|-----------------------------|
| 13. The legislature may authorize the State Board of Commerce and Industry, under conditions and terms specified by the legislature, to exempt from property taxation any new manufacturing establishment or addition (s) to any existing manufacturing establishment. The initial period shall not extend for longer than five years or be renewable for an additional period in excess of five years. | 13. No comparable provision |
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special funds had the revenues dedicated to each of such special funds not been paid into the Bond Security and Redemption Fund; and

Second, to the various special funds created and established by the Legislature of the State, an amount equal to the amount which otherwise would have been paid into each of such special funds had the revenues dedicated to each such special funds not been paid into the Bond Security and Redemption Fund; and

Third, to the General Fund of the State, the remaining balance.

§ 2. Negotiable Instruments and Tax Exemption

Section 2. All bonds and other evidences of indebtedness issued by the State are declared to have the qualities of negotiable instruments under the laws of Louisiana, and such bonds and the interest therefrom are exempt from all taxation in the State of Louisiana.

§ 3. Precluding Litigation of Validity of Bonds

Section 3. Bonds issued or sold by the State shall not be invalid for any irregularity or defect in the proceedings or the issuance and sale thereof, and shall be incontestable in the hands of a bonafide purchaser or holder thereof. The issuing authority shall file with the

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State Treasurer a certified copy of the resolution authorizing the issuance of the bonds, and for a period of thirty days thereafter any person in interest shall have the right to institute an appropriate action or proceeding to contest the validity of the bonds authorized, the pledge of revenues for the payment of the principal and interest on such bonds, the validity of the collection and disposition of the revenue necessary to pay the principal and interest on the bonds, the expenditure of the proceeds derived from the sale of the bonds for the purposes specified by law, and the validity of all other provisions and proceedings in connection with the authorization and issuance of the bonds. If such action or proceedings shall not have been instituted within the said thirty day period, then the validity of the bonds shall be conclusively presumed, and no court shall have authority to inquire into such matters.

§ 4. Special Obligations and Revenue Bonds

Section 4. No State Board or State Agency shall have the power to contract debt directly or indirectly secured by non-tax revenue, unless authorized by a simple majority of the Legislature and provided further that said bonds or other evidences of indebtedness shall be issued to finance a project or projects identified by nature, location and amount in the State's approved Capital Budget or Budgets adopted according to law.

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MEMORANDUM ON STATE DEBT  
CONSTITUTIONAL PROVISIONS

State bonds present both practical problems, such as the amount the State can afford in bonded indebtedness, and technical ones that relate to the character and security of State bonds which affects the bond rating and interest cost.

The two are, of course, not mutually exclusive since the first directly relates to the second. However, the first as to amount that can be afforded must necessarily be answered by the Legislature. As an example, Louisiana may not, because of other recurring requirements, be able to afford the maximum indebtedness and annual debt service that could be issued without reducing the security of the bonds. On the other hand, out of necessity the State may reach a point where the need for improvements outweighs the increased interest cost that would occur from lowering the security of our bonds through voluminous issues.

The first and practical question probably cannot be effectively answered through constitutional provisions. Although some states and Puerto Rico have recently enacted constitutional debt limits. These are as follows:

Hawaii - Requires a 2/3 vote of the Legislature and the Legislature cannot authorize additional indebtedness when outstanding, authorized and unissued and any proposed bonds would exceed average annual available and recurring funds for the prior three year period by 350%.

Pennsylvania - Legislature may authorize bonds by a simple majority vote providing it is to finance projects in an approved capital budget and outstanding and proposed bonds do not exceed 175% of the annual available recurring revenue.

Puerto Rico - Legislature may authorize bonds by a simple majority vote with a limit that no additional bonds can be authorized when the annual debt service requirement would exceed 15% of the average annual recurring revenue for the prior two year period.

Virginia - Legislature may authorize bonds by a simple majority vote. The only funds pledged to Virginia bonds are the income and sales tax and there are two debt limits on the legislature.

First, maximum outstanding debt cannot exceed 115% of the average income and sales tax for the prior three year period.

Second, the legislature cannot authorize bonds that would result in the amount outstanding and the amount authorized and unissued during the prior three years to exceed 25% of 115% of the revenues derived from the income and sales tax for the three prior years. This later limit is an attempt to maintain a relatively stable amount of bonds that would be authorized each year.

Washington - Legislature may authorize bonds by a simple majority vote but have no authority to incur additional indebtedness when annual debt service would exceed 9% of average annual revenue for prior three year period.

In order to determine further where and how Louisiana can improve its bond program the State Treasurer's office continually consults with the National Bond Rating Services such as Moody's, Dun & Bradstreet and Standard and Poor and the nation's bond buyers on which the State depends to purchase

its bonds. The rating services and bond buyers view the State's debt purely objectively, primarily from a statistical point of view and in relationship to the bonds of other states which are also being marketed.

In discussing the present program we find that the State's problems from the viewpoint of these professionals are both historical and current. As an example the following quote appears in Dun & Bradstreet's analysis: "Louisiana has a long and complicated debt history with difficulties in the 1800's, but since 1900, at least, the State has had a relatively clear debt history. In 1962-63 \$60 Million Louisiana Fiscal Authority bonds were sold to, in effect, fund deficits in the General Fund. Louisiana's debt structure is complex and includes general obligation bonds secured by specifically dedicated revenues, general obligation bonds secured by general revenue, and special agency debt payable from designated taxes." The report continues, citing additional financial complications which "include numerous funds and extensive earmarking of revenues."

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Mr. Robert Riehle, former Director of Municipal Bond Ratings for Moody's, summarized Louisiana's historical problems as follows:

"The shortcomings of the old established system of debt structure in Louisiana were very apparent. For one, with all state indebtedness of the limited liability variety secured by dedicated taxes, many fiduciaries statutorily restricted to full faith and credit general obligations were legally prohibited from buying State of Louisiana bonds. Hence, State of Louisiana bonds sold in a restricted market to a relatively small class of buyers at relatively high rates of interest. Second, state bonds were to some degree 'suspect' in that none were unqualifiedly secured by the State's full faith and credit. By far the most damaging practice indulged in by the State of Louisiana was its addiction to the 'layer cake lien'. This practice was the logical result of evolution. Successive bond issues secured by the same tax resulted in the establishment of successive liens through an attempt to give investors protection against progressive earnings dilution, with the result that early liens were of high quality; successive and later liens having marginal coverage were of low quality. As a result, the State has a number of bond issues outstanding with low quality ratings. Marginal credit ratings detract from a State's credit image - representing capital funds borrowed at inordinately high interest costs.

"In effect, after some duration of time involving the issuance of successive bond issues secured by fragments of various state taxes, Louisiana had hypothecated virtually all of its revenue sources eventually putting itself in the position of issuing only junior lien bonds of marginal quality.

"The old debt structure had another conceptual defect that made borrowing expensive - it was so complicated that only the professional investor understood it. This factor not only further restricted the market but bond dealers demanded a larger margin of profit to reimburse them for the extra time required to explain and sell a State of Louisiana bond to a customer."

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To overcome some of these disadvantages the Constitution was amended in 1966 to allow the pledge of the full faith and credit of the State to its bonds without public referendum. Additionally, in 1968 the State established procedures for additionally securing bonds under a simplified and understandable system and doing away with the so-called "layer cake liens." Of course, the State's debt structure remains complicated because many of the earlier bond issues remain outstanding; however, the bonds which are now issued are much more marketable as evidenced by the superior bids received and the increased competition.

The successful bond purchasers of the initial issue of general obligation under the new procedures wrote the following to the State Treasurer concerning the State's Improvements:

"Last week we terminated our account on the \$15,000,000 Louisiana Bonds. We felt all along that the bonds would be well received in the State, but some of our partners were not quite so certain about the rest of the country but were still willing to test the market at prices that approached a Aa scale. This is only the second time in recent history, the first being in 1963, that the First Boston Corporation, The Bank of America and the Mellon National Bank of Pittsburg chose to bid on Louisiana bonds at all. Their decision to not only bid this time, but bid vigorously was prompted by the new legislation drawn up by you and your associates and recently passed into law. They felt that this provided a substantial improvement in the marketability of the bonds worthy of the bid proposed.

"As it turned out, our estimate of the local appeal was more than justified by the volume of our business, but the degree of the national market acceptance actually surprised us all. We obviously felt it would be good, but not to the extent that it was."

The point in calling attention to these historical problems and improvements is twofold. First, we must guard against erosion of the accomplishments made to date to assure that the State does not revert to the earlier complicated system of multiple and limited tax secured bonds. Secondly, since some of the historical problems still exist, we must continue to strengthen our bonds and remove as many additional historical impediments as possible.

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The second problem relates to our historical difficulties and the fear of rating services that the State will revert to its prior complicated bonding practices because of the loopholes in the present constitutional provision. Mr. W. J. McCarthy, Director of Moody's Municipal Bond Rating Service summed it up as follows:

"I fear that Louisiana may continue its patchwork approach to debt issuance despite the new procedures." Moody's reservations are directed primarily to the exception of certain State boards and agencies from the operation of Article IV, Section 2 which provides the following:

"This prohibition shall not apply to . . . any state board, authority, commission or other state agency empowered by other Constitutional authorization or to any law adopted by the Legislature within the scope of any such other Constitutional authorization; nor shall it apply to any state board, authority, commission or other state agency created by an Act of the Legislature with respect to any proposed debt to be incurred thereunder

and any proposed bonds to be issued in connection therewith where secured solely from the revenues of the project."

The third problem which is also related to our historical difficulties is a result of the numerous revenue dedications which render the full faith and credit pledge of the State less than fully meaningful. The revenue pledged to the State's current bonds consists of only part of the State taxes and thus the pledge does not represent the full taxing power and authority.

So in summary the three predominant problems the State has are: (1) Too many bonds authorized too quickly and without sound long-term financial planning, (2) the Constitution has loopholes that would allow the State to revert to former complicated bond practices, and (3) prior dedications result in the pledge of the full faith and credit of the State being something less than totally meaningful.

The attached suggested draft of Constitution provisions assumes that the State will continue to have some constitutionally dedicated funds, however, with a small amendment this could be revised if we are not to have constitutionally dedicated funds.

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The effect of the proposal is to prohibit the incurrence of all debt by the State or any State board or agency unless approved by the Legislature. If the debt is to be tax supported it must carry the full faith and credit of the State and be authorized by a two-thirds vote of the Legislature. Such bonds which would be general obligations of the State could only be authorized to provide for natural catastrophies, repel invasion, suppress insurrection or finance the State's capital budget or budgets. The provision anticipates a nonhighway capital budget and a highway capital budget; however, one long-term comprehensive financial plan consisting of all projects would be possible and perhaps ideal.

Under the proposal only the Legislature could authorize State general obligation bonds and in effect this would eliminate the authority of certain constitutional agencies such as the Port of New Orleans, Baton Rouge, South Louisiana and Lake Providence to issue such bonds unless the projects are contained in a State capital budget and the bonds are specifically authorized by the Legislature.

This provision should ultimately force the preparation of a long-term capital improvement plan. The procedures to assure that a sound financial plan would be developed can be provided by statute and the possibility of financially unsound bond authorizations should be reduced.

The language which provided exceptions for certain State boards and agencies has been removed and only local political subdivisions should be excluded and this exclusion can either be provided by implication of the Article only relating to State debt or if necessary a specific exclusion could be drafted.

The second paragraph of Section 1 continues the existing Bond Security and Redemption Fund; however, all tax revenue not priorly pledged to bonded indebtedness is directed to this fund. This results in the full taxing authority of the State and most State taxes being pledged, first to State indebtedness, second to constitutional funds, third to statutory funds and fourth the balance to the General Fund.

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Section 4. prohibits the incurrence of debt of so called "revenue bonds" without the authorization of the Legislature. This proposal anticipates that such bond issues would require only a simple act. The provision, in effect, eliminates the authority of L. S. U. and the Board of Education as well as all other State agencies to issue revenue bonds until the project is approved and the bonds are authorized by the Legislature. Ideally such projects would also be made a part of the State capital budget so that they can be coordinated and an evaluation made of the effect of the bond issue on State revenue and the prospective annual operating budgets. The State has reached a point where projects should be undertaken not because they are good but because they are absolutely necessary.

Such revenue producing projects should be included in the capital budget so that recurring needs of such facilities can be coordinated with the operating budget. Normally these projects increase operating costs or affect other facilities supported by State revenue and thus do have an impact on State funds. As an example the pledge of self-generated revenue of colleges and universities to bonds reduces the amount they have for operations and increases the need of State appropriations. Additionally, the construction of a dormitory can increase enrollment and require additional classroom space and teachers which is normally financed, at least partially, by State tax revenue. A new classroom building financed by bonds payable by student fees can have a similar effect.

To reiterate the total impact of such revenue bond issues on the State's finances should be fully evaluated before the bonds are authorized and the projects undertaken.

The proposed constitutional provision makes no exception of State agencies; however, the possibility of limiting this provision to only those agencies which obtain all or part of their revenue from the State has merit and could be explored although the exclusion of these agencies has obvious inherent weaknesses.

The provisions relating to the tax exempt status of State bonds and precluding the challenge of the validity of such bonds after a thirty day prescriptive period are desirable although we don't feel they are absolutely necessary. These provisions are contained in Sections 2 and 3 of the attached draft.

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REPORT FROM REVENUE DEPARTMENT SHOWING THE EFFECTS OF PROPOSED CONSTITUTION AND SEVERANCE TAX LAWS OF RECENT SESSION ON THE DISTRIBUTIONS TO THE PARISHES FROM SEVERANCE TAX COLLECTIONS.

Parish	20% Max.	20% Max.	Sulphur
	\$500,000	\$200,000	1/3 Max.
	Amt.	Amt.	\$100,000
			Amt.
Acadia	\$ 500,000	\$ 200,000	
Allen	210,316	200,000	
Ascension	349,167	200,000	
Assumption	500,000	200,000	
Avoyelles	71,000	71,000	
Beauregard	219,530	200,000	
Bienville	500,000	200,000	
Bossier	372,662	200,000	
Caddo	500,000	200,000	
Calcasieu	500,000	200,000	
Caldwell	187,000	187,000	
Cameron	500,000	200,000	
Catahoula	295,125	200,000	
Claiborne	500,000	200,000	
Concordia	500,000	200,000	

De Soto	376,655	200,000	
East Baton Rcuge	76,000	76,000	
East Carroll	10	10	
East Feliciana	1,200	1,200	
Evangeline	285,652	200,000	
Franklin	89,000	89,000	
Grant	8,000	8,000	
Iberia	500,000	200,000	
Iberville	500,000	200,000	
Jackson	141,000	141,000	
Jefferson	500,000	200,000	
Jefferson Davis	500,000	200,000	
Lafayette	500,000	200,000	
Lafourche	500,000	200,000	40,000
La Salle	500,000	200,000	
Lincoln	500,000	200,000	
Livingston	2,100	2,100	
Madison	72,000	72,000	
Morehouse	45,000	45,000	
Natchitoches	500,000	200,000	
Orleans	20,500	20,500	
Ouachita	259,526	200,000	
Plaquemines	500,000	200,000	100,000
Pointe Coupee	500,000	200,000	
Rapides	151,000	151,000	
Red River	90,500	90,500	
Richland	500,000	200,000	
Sabine	20,500	20,500	
St. Bernard	386,233	200,000	
St. Charles	500,000	200,000	

St. Helena	12,000	12,000	
St. James	386,000	200,000	
St. John	250,000	200,000	
St. Landry	500,000	200,000	
St. Martin	500,000	200,000	
St. Mary	500,000	200,000	
St. Tammany	45,000	45,000	
Tangipahoa	14,000	14,000	
Tensas	203,000	200,000	
Terrebonne	500,000	200,000	100,000

Parish	20% Max.	20% Max.	Sulphur
	Amt.	Amt.	1/3 Max. Amt.
Union	152,000	150,000	
Vermillion	500,000	200,000	
Vernon	1,300	1,000	
Washington	13,000	13,000	
Webster	500,000	200,000	
West Baton Rouge	120,000	120,000	
West Carroll	200	200	
West Feliciana	2,000	2,000	
Winn	51,000	51,000	
<b>TOTAL</b>	<b>\$ 18,479,176</b>	<b>\$ 9,183,010</b>	<b>\$ 240,000</b>

## B. Verbatim Transcripts Ordered by Committee

VERBATIM ON DISCUSSION OF STOCKS AND BONDS AT THE MEETING OF JUNE 9, 1973.

CONROY: I wanted to make my motion to add stocks and bonds to the exemptions.

BROWN: I would object to that, Dave, for the reason of complete imbalance, when it gets right back to property. I can't see why a man up my way who owns 1,000 acres of property, has everything he owns tied up in this property, is to be taxed on that property, and a man in New Orleans who lives on St. Charles Ave. in a big, swanky apartment, and everything he owns might be worth ten times as much and everything is tied up in stocks and bonds and he doesn't pay a penny tax because of the exemption because you happen to put your wealth in land instead of stocks and bonds. It just seems like it is completely inequitable. The argument has been made that there is no way to control it, that we'll end up losing lots of business outside of the state. A lot of people will get around the tax, but if you get around it and get caught there will be penalties. There are good ways of enforcing this thing, if we look into it. Just to say that we can't enforce it seems to be evading the question. I can't see the equity of taxing the man who puts all his income and wealth in property and let him be taxed and let the fellow who puts his in stocks and bonds not be taxed. It just doesn't seem fair.

CHAMPAGNE: The only thing I want to say to that Sen. Brown, is that we're swapping off right now. Mr. Conroy voted for that one on agricultural, so I'm going to have to vote for him. The thing about that on this stocks and bonds, it is very difficult to track down. It's kind of like personal property. It's not taxed now. I understand if we leave it out, they may tax it later. It is very much like inventories that are taxed, except inventories are much easier to track down than stocks and bonds.

RAYBURN: Do you want to continue this discussion or break for lunch?

CHAMPAGNE: I move that we continue this and finish discussion on stocks and bonds. I call for the question.

RAYBURN: The motion failed to carry.

CHAMPAGNE: . . . could not be taxed. I would be satisfied with continuing that. We're not cutting anybody off from any revenues. I think that stocks and bonds are not taxed, it's a very difficult thing to check on. I know that possibly you could do it. I see so many instances of forcing people to lie about it, and this is just another exemption.

SLAY: I would like for us to leave it just like it is because there will come a day when additional revenues may be needed and that would be a source to turn to. As we get a little

more sophisticated with these machines and so forth, the day is coming when you can get all that information real easy. It can't be done now, but we can watch what states like Georgia are doing, once they get a plan to get information on stocks and bonds we could do the same thing later on. But we don't put it in here and give them the exemption, the legislature won't have such a time trying to put it into law. I would leave it just like it is.

Discussion on when the next meeting would be.

CHEHARDY: I want to give a concrete example on taxing bonds, we're talking now of exempting them from ad valorem taxes. The federal government exempts state bonds from taxation. Now the reason for that is in 1913 . . . it has nothing to do with economics, it was one concern - they exempted state bonds from federal taxes. The federal government cannot enact any tax on state owned property or state owned bond issues. As a result of that, there is a tax advantage right now, for example, Chase Manhattan Bank in 1971 owned one billion five hundred ninety-one million dollars of these exempt state bonds and saved federal taxes on thirty-eight million dollars. Now, you can't separate the total tax dollar that is not coming in from the tax coffers of the state and federal government by virtue of this exemption. Now, we're talking of removing from property taxation all this wealth, these stocks and bonds. But as Sen. Brown pointed out, we have a situation where 2 men might save \$10,000, one might plow it into a farm and have to face taxation, and the other one sits up in an apartment somewhere and holds the \$10,000 in security and he pays no taxes. So, it is totally unfair. There's no way you can say, just write this off the books too. It's just another step further in favor of the big ones that have all of the tax avoidance methods now.

ROEMER: What about the situation where the man who bought the farm formed a corporation to do so, and the corporation paid taxes on the land and the man owned stock in the corporation, and then you want him to pay taxes on the stock too?

CHEHARDY: No, not on the stock.

WINCHESTER: Mr. Chairman, may I answer that question, please? A Louisiana corporation is not covered by this. I am sure that stocks and bonds of Louisiana corporations are not included in this.

CHEHARDY: Now if you want to be more equitable, and not worried about just adding more exemptions, you'll notice that the exemptions listed here are very careful to exempt money loaned by homesteads to the borrowers from taxation. Yet they're the ones that own a \$10,000 mortgage which is well producing. But the property owner, whether he be businessman or otherwise, has a \$10,000 mortgage and is

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taxed on that. That mortgage on that piece of property is probably worth \$20,000, he has a \$10,000 equity in that property which is subject to taxation, he owes \$10,000, he doesn't own a \$20,000 piece of property, and that is subject to taxation. If you want to give an exemption, give it to mortgages that are held by people in debt, people that owe a portion of a mortgage on real estate, business property or otherwise, should not be subject to taxation. But when you talk about exempting the stocks and bonds as a total exemption, you're removing a tremendous portion of the wealth. Now if you want to wipe out all type of ad valorem taxes, fine. But I don't see any cause for wiping out stocks and bonds.

ROEMER: I question the fact that stocks are really a lien on assets of a corporation. But what you're asking is that we're going to tax twice the same kind of tax - an ad valorem tax on property owned by the corporation say by one man or three or four people and then a tax on his stock also. That is purely and clearly double taxation.

CHEHARDY: These poor companies you are so concerned about - these corporations, for example. I don't want you to suffer too much about the taxes, that it would be double taxation if we taxed the stock. IT&T in 1971 took in \$413,858,000, the total percent of taxes they paid was 5%. Standard Oil of California took in \$855,691,000 and paid 1.6%. Texaco took in \$1,319,468,000 and paid 2.3%. Ralph Senter, an average taxpayer, took in \$7,372 and paid 16% of that. Now the stock of municipalities and states throughout the country are exempt. Banks and these companies that have held these particular stocks have paid no taxes at the end of the year. Now, you're talking about a person that owns a corporation with an exemption, some sort of a ridiculous exemption. You don't mind me saying that, you're ridiculing the whole proposition. You're not ridiculing me, you're ridiculing the poor man of the state.

ROEMER: I understand that point. All I'm trying to say is that in trying to get to the big corporation . . .

CHEHARDY: You're not getting at them. All you're doing is being fair. You're not removing from the taxpayers property that is properly assessed for taxation. As long as you have ad valorem taxes, it should apply equally to personal property and equal to real property.

ROEMER: I agree with the point that it should be taxed, but I disagree with the point that it should be double taxed with the same tax, Lawrence, that's all I am saying.

CHEHARDY: Then you're worried about doing something within that little private corporation you've been talking about. Meantime, I don't think in the exemptions we're providing for in the constitution, we have the right to say yes, we're going to hold the ad valorem tax on the vote

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of the people of this state, we're going to hold it on personal property, but, but, we're going to exempt stocks and bonds, that means that if you happen to own stocks and bonds in Chase Manhattan Bank or First National City Bank or various other corporations in the country

WINCHESTER: I'm in favor of letting it stay in the constitution, and if I could ask Mr. Roemer a question, I would like to ask him for an example of the double taxation.

ROEMER: Corporations are formed by stockholders. They each have 10%, 5% or whatever percent of stock in the corporation. The corporation has certain assets. Among those assets could be real property, property that is not exempt under our constitution, property upon which taxes must be paid by the corporation. I think that is fair and everyone will agree that no matter how big or small the corporation, they all pay their property taxes. However, I question whether they will pay that tax and turn around and the stockholders of the same company pay an ad valorem tax on the stock on the corporation. Because all stock is, is some measure to value the assets. The assets have already been taxed.

WINCHESTER: I'm sure there are quite a few stocks and bonds that are held in Louisiana that no ad valorem tax is collected at all on any assets that those corporations own in Louisiana. They might own a minor part of taxable property in Louisiana such as real estate, but who owned the rest of their assets in New York, Illinois or other places like that, but the stocks and bonds are held by people in Louisiana.

ROEMER: Well, if you want to make a motion or address the point of making sure that no property including stock escape at least one ad valorem taxation, fine, I'll entertain that. But the motion that is now stated does allow not only for

what you suggest, but also for what I suggest, and that is double taxation. That's my only point. My point is that it is so loosely worded now that everybody is caught in the net; those that are guilty, and those that are not guilty.

WINCHESTER: I have to think that out. I think what would happen is the camel would be choking on the knife. I believe this situation would be wrong. If in the future it is seen that it would not . . . the legislature could correct it, but then to tie the legislators hand at this time, I would definitely be against it.

MIRE: I feel just like Mr. Lowe. We've kept a rather even tally sheet, but I feel that it is double taxation, and in more cases than that it is double taxation. I'm an assessor and I don't assess stocks and bonds and I don't know of one in Louisiana that does. If it is one thing as a politician that I hate, it is for somebody to come threaten me with something. If you have something that you know about me, let's put it on the table and talk about it, if you don't, don't say anything. And for

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you to say that I might be able to assess your stocks and bonds, but you better do this and you better do that, I don't like it. Now if we can assess stocks and bonds properly and fairly, I will entertain it, but if we can't I want it out of the constitution.

WINCHESTER: I own stock in a corporation, and the corporation pays income tax. I get a dividend and I pay income tax on that. Now if we're going to start talking about this double taxation, let's do what Mr. Lowe said the other day and get way down there and look into all of it. Where is the corporation located that . . .

MIRE: St. Mary's Parish.

WINCHESTER: Is it exempt, this Louisiana corporation? It's a Louisiana corporation, but then the stock in Louisiana on a Louisiana corporation is not included in this tax measure.

MIRE: Mr. Winchester, did you while an assessor ever assess stocks and bonds in St. Mary's Parish?

WINCHESTER: No. Maybe the assessors should not have the prerogative to assess what they want and not assess what they want. I just don't think we ought to tie the hands of the future generations yet unborn to tax these things.

LOWE: The government does tax the income of a corporation . . . but the government realized the inequity in that kind of thing, Mr. Winchester, and some eight years ago came up with what is known as Subchapter S in the Federal Law which allows the corporation to elect to be taxed as a partnership or as an individual, thereby paying no corporation tax at all.

WINCHESTER: How about a corporation that was formed before that act? Say one with the limitations owned by a few people.

LOWE: That takes the conglomerates out? I would be willing to entertain something like that that would take the conglomerates out of this. But you take a Louisiana based corporation that is going to pay taxes, I'm not talking about the conglomerance in tax exemptions, that is going to pay taxes on machinery, on this inventory, on this land, and on this building. So they are going to pay taxes on \$860,000 of property. Now these shareholders that own these assets - this represents their ownership. That's what they actually own. The stock is evidence of what they own, it's just a piece of paper. It says you own X percent of all these assets. If that man owns 100%, well this piece of papers says this inventory is yours, this machinery and equipment is yours, and this is yours and this is yours, and it can pass through you any time you want it. You can liquidate it and there is no longer any corporation sitting there and you can wrap your arms around it and it's yours. Now I don't see how we can sit here and say that we want

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to tax the property taxes, these same assets twice. This is clearly double taxation. Not only double taxation, but it double taxes the same corporation.

DE BLIEUX: In my opinion, there is no question about it. It is clearly double taxation, I don't dispute that. After all your stock is the same as a deed to a piece of property or land, and it just shows what interest you own in that corporation. I don't feel like we ought to put it in the constitution, because a person that is sitting here in Louisiana owning a \$100,000 worth of stock in some corporation that exists somewhere outside of the state. In view of the fact our present tax inequities and so forth and so on, he might be getting certain advantages because of the fact that this corporation is located in some other state, but we might sometime want to kind of level off with the other taxpayers in the state. If you once put this exemption in the constitution, there is no way you can make any kind of adjustment in that accord, so I'm not after taxing stocks and bonds now, that's not my idea. But at least I don't think you ought to tie the hands of the legislature where it could never be done. And for that reason I just think we ought to leave it out of the exemptions.

CHAMPAGNE: The way I understand it, we're just talking about ad valorem taxes here, property taxes on stocks and bonds.

We're not talking about a securities tax the legislature can pass, a tax on all holders of stocks, bonds, investments, anything else the road is open. We're only talking about ad valorem taxes on stocks and bonds. There is no question you can put all the million dollar, two million, ten million dollar corporation talk you want. But this is ad valorem tax - double taxation. It is positive, take my word for it as an accountant or anything else, as a farmer, or anything else. This is double taxation, not double talk for ad valorem purposes and I will give you a simple example. I won't give you a million dollar corporation. We'll talk about a little million dollar deposit bank that has a little bank stock. The bank pays stock on its property, pays stock on everything else, the individual pays stock on his profits and then you want to tax him because he has a few shares of stock. Now this is not the answer - this is an ad valorem tax. This is an exemption for ad valorem taxes only. The same point is that we handle inventories and every assessor on this board will admit, if they want to tell the truth, that the most lied about fact as far as ad valorem taxes goes is on inventories. It is absolutely lied about and if you don't agree, sir I will go to your parish and prove it to you. When it comes to stocks and bonds, there may be a way to prove it, but the point is, you may not be getting anything about it, because it is out-of-state, then pass an out-of-state securities tax where you can trace this up and tax them for owning stocks - out-of-state corporations. What Mr. Chehardy talked about, non-taxable bonds and so forth, in other words what he is talking about is municipalities, if you buy those things they're tax free. This is to enable local subdivisions to buy things at a cheap rate. This enables the local people

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to sell their bonds on a ready market so they can sell them at a better rate. You get less interest because they are tax free. This enables the people in the towns and the corporations to buy these things, and because it is tax free they get a better rate and this is helping the taxpayers. There's no question about this. We're talking about ad valorem taxes, not securities taxes. This is ad valorem taxwise, double taxation, if you tax bonds and stock in the state. Now if they're out-of-state, there's another way to get to them. Get a securities tax, get something else, but not ad valorem taxes. The only argument which I haven't heard yet is that it isn't in now, so why include it. If you use that argument, you have something to talk about. But when you say that this is not double taxation, I simply don't agree with you.

PLANCHARD: If I'm not mistaken there is a Federal prohibition against double taxation anyway. The way this is presented there's no question, that it is double taxation. But we're talking about ad valorem taxes, and we have an ad valorem tax on land presently. We're talking about not putting it in as an exemption for this item up here - where's the stocks and bonds? You're putting it down in the net worth of the corporation. If you were to start taxing this you might have a double taxation. But you don't know what the legislature will do. What they're going to do is to tax such items as inventories, stocks and bonds that they're holding on property in the corporation. Now that's the same thing . . . You're not double taxing if you're not taxing this stock and bonds the man is holding in the corporation. We're trying to look ahead. If you put the exemption in now, then there is no question you leave out from this category the same thing as land, machinery, inventory, the stocks and bonds in this particular area, which is an asset of the corporation. They can put all their money into stocks and bonds and be tax free. You can't tax them, you can't get to them.

LOWE: Mr. Planchard, don't you know Mr. Chehardy, Mr. Mire and all of the assessors here are presently taxing that \$60,000, \$100,000, that \$200 or \$500? You say we're going to keep the legislature from doing it? They're already doing it. Even after these stocks over here are exempt, they'll continue to do it. So where then is your example of how we're going to keep someone from taxing anything?

PLANCHARD: Of course the legislature doesn't want to have to pass the tax on stocks and bonds because presently they are not doing it. Now if they come in and say all stocks and bonds will have an ad valorem tax, then categorically they're picking up all stocks and bonds from the equity section of your corporation. Should the legislature come in and say that there will be a tax on stocks and bonds held by the corporations of other corporations, not their own stock and bonds, but held by other corporations. Then you have a property item. Just like inventory, land, the building and other assets. So by putting an exemption, you're cutting

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out any possibility of ever using a tax or putting a tax on stocks and bonds

CHAMPAGNE: Are you insinuating, Mr. Planchard, that that inventory is stocks and bonds? What I'm trying to get over is that all of those assets are at the present time taxed, correct? They don't have to pass no law, all they have to do is suddenly say friends, assessors, my friends, you have to start taxing stocks and bonds. There's no exemption in the constitution. So they don't have to pass any new laws. Now once they do that, would you agree at that point that it would be double taxation?

PLANCHARD: Categorically, if they would take all stocks and bonds, it would have to be double taxation. There is a prohibition against that right now - no double taxation.

CHAMPAGNE: There's no reason why we can't put a securities tax on all out-of-state securities. That would be a real nice tax. Out-of-state securities would pay a tax or in-state securities, whatever you want. But ad valorem wise anytime you don't, as they presently do not pay taxes on bonds and stock you are taxing twice.

PLANCHARD: I would not say that in all cases that would be double taxation. If this corporation was holding stocks and bonds, it would be a current asset, is that correct?

CHAMPAGNE: This is my question. Are you insinuating that the inventory is stocks and bonds? What you are insinuating is the only way it would not be is if that inventory was stocks and bonds of another corporation. If that inventory is merchandise inventory, not stocks and bonds, it's paying a tax. Now the only way I can understand you insinuating that it might not be is if this inventory or assets held, or other assets might be stocks and bonds. Is that what you are trying to say?

PLANCHARD: That's exactly what I'm trying to say. It's closing the door on ever having a tax on that.

CHAMPAGNE: Well, you're thinking of some kind of investment corporation or something?

PLANCHARD: Any corporation can own stock in other corporations.

CHAMPAGNE: Yes, well I understand that. But the point there is a very minute one. If you're talking about merchandise inventory, then there would be a double taxation involved, if you're not talking about stocks and bonds held by another corporation.

WINCHESTER: Mr. Planchard, don't you think that this thing is of such great importance that the committee should give me time till Thursday to prove my point that Louisiana stocks are subject to taxation. I just don't think, I know I read it somewhere and I would certainly appreciate the opportunity to prove my position that those things are exempt.

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PLANCHARD: Don't get me wrong. I'm not saying that we ought to have a tax on stocks and bonds tomorrow. I'm not saying that. But I just don't believe we should close the door on the legislature of being able to consider that as a tax lien.

RAYBURN: Mr. Conroy, will you agree to delay action on your motion until next week?

CONROY: Will Mr. Winchester vote for the motion if he finds it is not in the constitution? I think we should go ahead and proceed with it today, the matter is subject to a motion for reconsideration. I feel unfortunate that we're voting on either. We have only 13 people here out of a committee of 23 and I hope we have more on Thursday. Frankly, my feeling about the stocks and bonds thing, as I indicated from my questions earlier, is whether they were being taxed now. My concern is the integrity of our ad valorem tax system. It is a matter of serious concern, continual concern in the eyes of people coming into the state, coming into business and moving into this state, when I have to tell them what is in the statutes and what is in the constitution, but that's not really the way it works. And I think this is an unfortunate way for people to be introduced into this state. The law ought to contain the exemption because it is not being taxed right now.

LOWE: Mr. Planchard, are you basing your law on the fact that we were going to shut the door once and for all if this corporation owned an investment in stocks of another corporation, inequity in the same. Suppose this corporation A owned stocks of corporation B. Well corporation B has paid its ad valorem taxes so we come along and tax it again. It doesn't matter, we're exempting once and for all the receivables on the sale of merchandise. I don't see anything bad about exempting something that has already been taxed by property taxes.

PLANCHARD: I'm sure that you will agree that we have a tendency to go to conglomerates right now. If one holding company comes out and buys all these other corporations in property, there is absolutely no way you could ever tax stock, even if you say that there is a limitation on how much they can hold in this holding company in property. They still have a problem, you never can get to it. I just don't want to close the door by putting it in as an exemption now. The legislature may come up with a bill that is obviously no good, but if they do I think they will throw it out.

(change of tapes)  
LOWE: My other question is - don't you think . . . twice with property taxes on the same assets?

PLANCHARD: No, where we disagree is that I'm not saying . . .

LOWE: whether or not we are talking about exempting stocks and bonds.

PLANCHARD: I'm not talking about the little investor. If you

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want to put an exemption in there to change the exemption for stocks and bonds up to \$50,000, I would say that is the little investor, the person that you're trying to take care of, the guy that is going to put his life savings . . . I'm not trying to get at this equity of this home-owned

corporation or a family corporation. That's not what I'm saying, because if you start taxing this right here from an individual, then you would be getting into double taxation. But what I am saying is don't close the door by just carte blanche saying that all stocks and bonds will have no tax.

LOWE: We're not saying no tax, just no property tax. Transfer tax is an ideal way to get money from them. All you have to do is tax stock every time it is transferred.

PLANCHARD: Well, you probably know as well as I do about revenue stamps and all of these people in the clerk of court, it would just be a nuisance tax.

CHAMPAGNE: You say you are closing the door, Mr. Planchard, to property taxes, not stocks and bonds right? You point out that this would be a nuisance tax and so forth. If it's hard to enforce an exchange or transfer tax, what do you think it is going to be to go find all those stocks in all of those homes? Now I made up one decision - if you're against something, then you are helping the big corporations, that's what you bring up, if you are for something then you bring up you're helping the little man. I've decided that before, but I just wanted to bring that up again. That's exactly the way it runs.

RAYBURN: Are you ready to close on the motion, Mr. Conroy?

CONROY: I've already closed.

RAYBURN: The motion has failed to carry with a hand vote of 5-7.

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#### VERBATIM TRANSCRIPTION OF THE REMARKS MADE BY WALTER CHAMPAGNE ON INDUSTRIAL EXEMPTIONS AT THE MEETING OF JUNE 15, 1973

RAYBURN: Does the staff have any proposals on these particular sections? (Article X, Section 4, §10 and Section 22)

CHAMPAGNE: I had requested one as an individual the other day when we were talking about this, and it would simply read "industrial tax exemptions may be provided for by law."

RAYBURN: Yes sir, I think we have something on that. It's in the original property tax proposal on page 2, line 34, at the bottom of the page it says "the legislature may grant exemptions for taxation on the following property:" and on the other page, line 1, it defines the property. Mr. Champagne, do you care to comment on your suggested proposal?

CHAMPAGNE: Well, the comment was that it's a substantial change in that the legislature is given the exclusive power to grant the exemption. In other words, it is not constitutionally provided but it's giving the exclusive power to the legislature to grant them as they see fit. Now in talking about it, the thing that impresses me is that an industrial exemption as such is not criticized by a lot of people, but the way they say some of it is being abused is what is being criticized. And of course, in listening further, I find that the legislature says, some of the representatives and senators have told me, that in many cases if they have the authority to change their methods, if they see things are going in the wrong direction, they can do this. They have to be given the permission to do it, you can't do it because it is prohibited by the constitution unless you do say that they may be provided for by law. This would give the legislature the right to do so. Once they sign the contract and they did grant it to a firm, well that could not be revoked, but they could maybe change their method or the length of time at a later date for other people coming in. I think it would be better to give this to the legislature rather than the local governing body, because people that were thinking of coming into the state would know what the law was at that time, otherwise, the local governing body could decide this issue, they would never know until they talked to these local politicians whether they could come in and have an exemption or not and they might change this from time to time. I think this would be the best way to do it, because I find that the members of this committee in general do not particularly want to put it in the constitution that it has to be given, or the means or method of doing so, in general.

PLANCHARD: I would like to at this time, Mr. Chairman, move that this committee adopt Article X, Section 4, paragraph 10, of the present constitution and embody it in our proposal to the convention.

RAYBURN: You've heard the motion, is there any discussion on the motion?

MAUBERRET: Mr. Chairman, I would like to add an amendment to Paragraph 10. Before new manufacturing establishments could be granted an exemption they have the approval of the local governing authority.

SCHMITT: I would also like to add to that stating in no instance shall this exemption be for a greater period than five years and non-renewable.

RAYBURN: Of course, it's all up for discussion at this time, Mr. Planchard made the original motion. Unless he has no objection to including the amendments it is open for discussion.

PLANCHARD: I have objection.

RAYBURN: Is there any further discussion on the motion?

CHAMPAGNE: Yes sir, what page is that on?

RAYBURN: Page 95. Mr. Schmitt, you're recognized.

SCHMITT: One section of this section of the constitution does bring out the additional period of five calendar years for the existence of this industrial tax exemption. We've heard from many witnesses that have come forward to speak on this industrial tax question, and I believe one of the problems that we've had in the past is that the Commerce & Industry Board has granted exemptions that should not have been granted based on my interpretation of the initial philosophy beyond this section of the present constitution. If any period of time is too extensive a period of time to give to a new industry, we've had testimony relating to the fact that some industries come in for nine years or a certain period of time and dismantle and move out. These industries have been granted industrial sites by the local area, this does result in the fact that no property taxes were collected by the municipality, secondly, that no property taxes were collected for the different equipment, buildings, that were located on this property. As a result we have corporations moving into certain areas breaking the population, making great demands on the area for roads, schools, sewerage, and many other types of necessities and then leaving, and leaving the area to hold the bag. Also, certain witnesses came forward and said that subsequent to the time when this ten-year exemption goes out of existence, the equipment and so forth is placed upon the rolls at the same amount

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as the initial cost. Now I believe that this section should not be adopted it is in toto, as this encourages people to go forward and attempt to dismantle right after the ten-year period of time. If we had some method of either a gradual build-up of a tax over that period of time so that the local area which is providing the services can get some type of remuneration to help offset the many expenses which occur during this initial period of time. I believe this could soften the blow to the local area. I believe we've heard testimony to the fact that this is a tremendous burden upon certain localities, sure certain areas have greatly benefited from it, and therefore there should be some type of random authority so that this type of exemption should be able to exist, but I believe that we or we should direct the legislature to make some type of philosophical decision on what the purpose of the industrial tax exemption is. Is the purpose of it to create jobs or is the purpose to bring in additional property to place on the tax rolls? What is the reason for this exemption? I think that the way it is stated presently has led to a tremendous number of abuses and as pointed out in testimony before our committee, the many applications which the Board of Commerce and Industry recently received, all except for one was granted, and we had pointed out the property assessed by the company, an industry which could not go outside of the state, an industry which through its own corporate internal regulations and so forth could not, but subsequent to testimony heard by this committee, the Commerce and Industry Board then decided to revoke their initial granting of this exemption. I believe they have many problems with the present section, and I don't think we can get rid of these problems with all our efforts in the constitution because we cannot foresee what the problems will be in the state five years from now, ten years, or fifty years from now. We have to allow a certain amount of flexibility to the legislature, but at the same time we cannot allow the state legislature to be the ones who decide whether the parish of Orleans must grant an exemption to a local industry. Surely if the parish of Orleans or the parish of Jefferson or the parish of Plaquemines does not want a certain industry to come in, they should have the right to object, and have this an absolute right, not just something that can be a request. People from the Commerce and Industry Board said that we would listen to these people if the parish officials came forward and objected, but we also heard that the different ones who were involved, at least the assessors, were not notified when these hearings came forward. In some instances they did notify the police juries or the city councils involved but I don't believe sufficient information was given to us as to whether or not that was even done in every instance. But I believe there must be some provision in whatever type of act we create here that will allow the local governing authority the right to reject if they don't want it. This would put them in a situation where they would have the right to bargain with these different industries. If I am a parish on the riverfront, then perhaps my location is the thing that they're going after, not because there is an industrial tax exemption. Why should I let some

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agency that is governed by the governor of the State of Louisiana go to the governor and work out some kind of a deal and then come into my area and exploit the river, the property, exploit the taxes in my local area, without my area having some kind of bargaining position at all. I don't think this is fair. I think there are many inequities in the law. I think it is something that has been totally abused, and unless some type of better form can come up, I think we should totally reject it. I've heard testimony from many people and spoken to people. I think that Mr. Chehardy has many excellent ideas in this area. He has indicated that there are billions of dollars that have been removed from the tax rolls. He has further indicated that the pittance granted to the homeowners is nothing compared to that which the industry gets to enjoy in the State of Louisiana. I feel that we must not adopt this particular section. I feel there are many problems in this area. If you adopt it in total, you'll get right back into the problems we had before. We are once again passing a rubber stamp of approval upon the acts of the Commerce and Industry Board, the one which we have so painstakingly gone through the testimony to attempt to find out the basis of their views on whether an industry should be granted an exemption or not, you'll find out they have no basis. In some instances you'll find they are granting exemptions to industries which have very few jobs. I feel that in some way we must grant the legislature the right to determine and the mandate to establish guidelines for the Commerce and Industry Board. I don't believe we should adopt this particular article and section in toto without amending it in some way to provide the things which I have stated before.

RAYBURN: Let me ask the staff this. Since the state is out of the 5 3/4% ad valorem tax, we are not in the property tax business anymore. What are we applying this to?

DUNCAN: I think this is all it can be. Local taxes, special district taxes and that kind of thing, but it is granted by the state through the State Board of Commerce and Industry as distinguished from Section 22, paragraph 22 of this same section which authorizes the municipalities in the parishes . . .

RAYBURN: to give it to municipal taxes. It was just asked me what tax is the state now involved in? We're involved in no property taxes as far as I know since we repealed the 5 3/4% ad valorem tax.

MAUBERRET: Mr. Chairman, on page 95 "the State Board of Commerce and Industry with the approval of the governor," I want to make an amendment to that and add "and local governing authority and assessor may enter into contract."

RAYBURN: Do you offer that as a substitute motion to Mr. Planchard's motion?

MAUBERRET: Yes to Mr. Planchard's motion that we adopt all

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of Paragraph 10. Now, over on the next page, page 96, on line 5, I want to get something understood. I'm a little confused. It says "no exemption shall be contracted by any manufacturing establishment in any locality where there is a manufacturing establishment actually engaged in the manufacture of the same or closely competitive article without written consent of owner of such existing manufacturing establishment to be attached to and identified with the contract of exemption." What do we mean by "in any locality" within a parish or a radius of somewhere? What I'm thinking about is a match factory right outside of metropolitan New Orleans, right on the borderline of St. Charles Parish. Somebody else is going to come up and put a match factory in Jefferson Parish and it could be right next door to it.

The substitute motion carried with a 10-3 vote by the committee.

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VERBATIM OF QUESTION AND ANSWER PERIOD OF EARL WILLIS  
June 22, 1973

WINCHESTER: In reference to Article X, Section 21, the second paragraph, it says that "no further additional tax or license shall be levied nor shall any additional value be added to the assessment of land." Is it my understanding that that applies only to the land itself and

does not apply to what is on the surface of the land? Is your association in favor of that understanding?

WILLIS: Let me see if I can clear this up. We are in favor of the way it is now written. The way it is now written says that there will be no additional valuation of the land because of the presence of oil, gas, or other minerals underneath, and the tax would be limited to the severance tax as it is produced. We have absolutely no objection to the assessor placing a higher value on land because of improvements. We have no objection to the assessor's classifying property as to revenue-producing or not revenue-producing.

WINCHESTER: Say oil rigs or oil wells in the ground and rigs on the surface and pipes and such. We've had differences from time to time with the oil people and they never had tested this but they do like to say that is the severance tax in lieu tax. How do your people feel about that?

WILLIS: Mr. Winchester, in the 1921 Constitution the very same problem was brought up. As a matter of fact, at that time the oil industry wanted to have it fixed so that it would be instead of 2% they would go to 3% maximum on severance tax provided it would not get any taxes on the oil wells and movables. But that fell flat and the sale on taxes and movable effects. We have no objection to that. Because I think everybody should pay taxes if you own property. But I'm not saying that you should tax the oil industry. It is not the land I want to tax involved, but we have no objection to taxing anybody who owns property. Our problem is if this constitution were to say "we are going to increase the value of this land because so-and-so says there is oil or gas underneath. We feel that the severance tax that is now being paid is the fairest tax that could be paid because you are paying the exact proportion alone as the property is being sold. And the legislature regulates the amount."

ROEMER: Was there a subcommittee recommendation in regard to Section 21. I'm a little bit confused as to what the subcommittee did recommend. I would just like to make that clear, if they did make one.

RAYBURN: They probably have one but I don't think its been submitted or either discussed by the whole committee and I don't know if they have one or not, Mr. Roemer, I don't believe its been discussed by the whole committee.

SCHMITT: It is your position that assume a person owns a piece of land say one acre of land and has got \$50,000 of royalties coming in from that land for a year and another acre of land next to it but he don't have this income coming every year that there should be no considerations in your ad valorem tax base just because of the fact that he has an income coming in every year. Is that your position of your organization?

WILLIS: Yes, the reasons for that I have just explained is that it is felt by the land owners that the fairest way in the world for you to collect taxes would be for the owners of the property to pay. This means that when you give an oil and gas lease on oil companies you are going to give seven out of eight barrels when you sign the lease. And when it is produced it is paid proportionately by the owner of the mineral being produced. Therefore, the oil companies are paying seven-eighths of the taxes and the land owner is paying one-eighth. But if you take the one-eighth where there is potentially oil and gas as you say there is or is not, then you're making the land owner pay an ad valorem tax on what is there and in addition to that when you start to produce it you charge him ten and one-half percent.

SCHMITT: So in other words you say that if there be a feeling that the tax for some reason should be increased that they should not increase as based upon ad valorem for the value of the land itself but should go up based upon the amount of the barrel or some other way with reference to severance taxes . . . . .

WILLIS: Based on the severance tax because it is the fairest one. Let me give you an example. I think all of us agree that geologists are educated persons and tell oil companies where you're going to find oil and gas. And we do know that you can say "Well, give an estimate on a reserve." But that would really be making geologists out of assessors so to speak as to who would determine that.

SCHMITT: I understand your position and I hadn't understood it before and I think that parts with reference to the seven out of eight makes it a lot clearer to a person who owns the land who might have to pay more in property taxes that the actual income he should gain from the land.

CHAMPAGNE: I just want to compliment the speaker who turned up some of this opposition. I understood it all wrong on severance but the point is that would you be happy with the statement that the only tax on oil and gas in its natural state shall be severance tax? This is correct?

WILLIS: That's correct.

CHAMPAGNE: O.K., now what we're trying to do is put it in simple language and I think that did it and so all of these other things you're not saying, you can't tax these crucks out there, you can't tax the tank, you can't tax all these things, but the biggest point I think you cleared up is that you don't want somebody to pay taxes on something they might not have. You want them to pay taxes on something they do have and when they do get it and they have it you certainly, most certainly, tax them.

WILLIS: Yes sir, we would like to retain specifically the first sentence in the paragraph, the second paragraph in Section 21, which I read, because that makes a prohibition. No further additional tax can be placed because you would have oil or gas in places.

BROWN: Would you tell me what the Louisiana Land and Royalty Owners Association is? I get some things in the mail all of the time and I don't, I really don't know what your organization is, where it is located, and don't you have some kind of tie with the Atchafalaya Basin group?

WILLIS: The Land and Royalty Owners of Louisiana was formed in 1963, the purpose of it was, it is a nonprofit corporation, nobody gets money except for Col. Doedendorf, he wants his expenses. We assess each member on just being able to run an office, they have an office or we have an office in the Whitney Bank Building, it's a very small office in which we simply handle correspondence and check on legislation, and we advise owners of property who are members of our organization in what was really going on in so far as land was concerned.

BROWN: So it is a statewide organization.

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WILLIS: It is statewide, as a matter of fact we have members from 60 of the 64 parishes of Louisiana. We have directors of that many parishes also, it is absolutely nonprofit.

BROWN: Well, do you have a tie, is it strongly oriented toward what's going on in the Atchafalaya Basin? Or why, I don't know why I think that, I'm just curious.

WILLIS: Well, it happens that I'm chairman of the governor's Atchafalaya Basin Commission but it is not in any way tied down to the Atchafalaya Basin, none whatsoever.

DE BLIEUX: Mr. Willis, sir, would you consider that a reasonable provision with reference to severance taxes would be that there would be no taxes on natural resources in their natural state? But taxes may be placed upon these items when severed from the soil or water, would that be considered fair to the . . . .

WILLIS: Yes, it is a question of how it is worked. I felt that, we feel that the way the first paragraph, the first sentence of the first paragraph of Section 21 is correct, which says, that the state constitution says that they shall have the right to get it taxed when it is severed from the water or the soil. Simultaneously with that, we would like to have the provision of the first sentence of the second paragraph which states that you would not increase landowners value of property simply because you have oil or gas under it. Do I make myself clear?

DE BLIEUX: Well, yes I can understand, but don't you think that that would take care of the situation if you say that no taxes shall be placed upon natural resources in their natural state?

WILLIS: I think I understand what you are after. We have no objection to that, but I said at the beginning that we were not getting into the question of sulphur. As you know sulphur mines and salt mines are rather peculiar situations because they are solids and they are mined to produce in a different way in the severance tax, so to speak that you use a different way to

collect it and I kept away from that, for that reason we take the position that we stand for Section 21 as it is written. If there is a change we certainly would like to have the opportunity to come up here and check. I think we all feel the same way, probably this committee too, but it is a question of wording it so that it is not misunderstood in the future.

DE BLIEUX: Well, the point to make is, that I think with that language down here, of course dressed up a little bit, would do what you are speaking about what you

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want to do. I see no objection to having it worded that the land would not carry a greater value than other adjoining land without consideration of the value of minerals.

WILLIS: If I understand what you are saying is that you would want the kind of a sentence which would state about the assessed value of property will not increase because of oil, gas, or other minerals in place.

DE BLIEUX: That is, the taxes can be placed only on natural resources when they are severed from the soil or water, and that they shall not be considered in the value of the land. Could we put it that way?

WILLIS: As I say it's probably a play with words. What we're concerned with is that if there is a change in the wording of this we would like to be given a chance to look at this very carefully so that it is not misunderstood when it's written.

DE BLIEUX: Of course, I know you're not allied with the sulphur people but what particular difference does the severance of the sulphur have from the severance of oil, the severance of gas, or anything else? Should the rates of any of these minerals be made by the legislature rather than placed in the constitution?

WILLIS: Well, as I've said, the severance tax for oil, gas, or other minerals except sulphur is positively left to the legislature. In the sulphur situation it is placed in the constitution and yet you'll see that in 1926 the prices increased from a dollar and 3 cents to two dollars flat and it came right back in 1938 to \$1.03.

DE BLIEUX: Well, do you know of any particular reason from your knowledge of minerals why the sulphur people should be treated any different from anybody else.

WILLIS: I was hoping that I would not come to this point, but I guess a mineral is a mineral whether it's a solid like sulphur or whether it's a liquid or gas like oil or gas. I personally see no difference and there might be a way but I think the manner in which you are going to collect the tax might be a little different. I don't know.

DE BLIEUX: Why did you think the sulphur people ought to have their rates fixed in the constitution as against, you might say the oil people, the gas people, or anybody else.

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WILLIS: No, I was misunderstood. I'm not saying that it should get special treatment. I said there was in the past under this Section 21 what appears to be some special treatment not favorable or unfavorable with reference to sulphur and that I was not addressing myself to that issue this morning because I think it's a specialized field but it may be for the benefit of this commission to get people who have considerable knowledge in the sulphur industry to be able to explain why that situation is so different maybe from oil or gas.

DE BLIEUX: It looked like to me that it's about the same position as the farm people and the agricultural people and so many other people who have these exemptions in the constitution. They're all in the same category.

WILLIS: I have no comment to that.

SCHMITT: Could not the differential be the fact that in your case you would be worried because of the fact that your landowners would be only responsible for one-eighth of the severance tax versus being responsible for the total of ad valorem tax whereas the case of sulphur they might be responsible for both of the taxes? In other words, they would be responsible for total ad valorem tax but also the total severance tax. Are you in a position to talk about this or would it be better . . . .

WILLIS: I will say this and then I suggest you get someone else. For instance in an oil, gas, or mineral lease if you will note and most of those who will tell you for oil and gas you get a certain fractional amount of what is produced times the market value. When it comes to sulphur for instance, in the oil and gas and mineral lease you'll see that it's one dollar or two dollars for one ton. It is a little bit different but, as I say, I would prefer not to get involved in the sulphur, it's a specialized type of mining and there are very few places where sulphur is mined in Louisiana. Because of that special treatment since the 1921 Constitution I feel this committee would be better off to hear what they would have to say from that industry.

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VERBATIM OF LAWRENCE CHEHARDY - July 12, 1973

Sen. De Blieux represents the man who sued for 100 % assessment across the board in the state of Louisiana. He sits on this particular committee, and if you could tell me that he is still fighting that case, which is the subject of an appeal and that he is neutral to the people of this state, it would be some kind of miracle if you could say that. He represents certain interest in defending that case, and as far as I am concerned, as an attorney representing his client it would be mighty difficult to sit on here and talk in a manner that would at least be 100% fair to the advocates.

Mr. Roemer, for example who gets up here and pleads for the poor people, is part of the family who owns Roemer Dairy Processing and what his exact ownership is I don't know, but if wants to know who is going to pay for the benefits to the rich, Mr. Roern should consider that right now the Roemer Dairy Processing enjoys 765,075 of tax exempt property in this state. Whatever advantages they enjoy on the thousands of acres of their compound or wherever they live in this futile style I understand, is up to him. But that is Mr. Roemer.

We have another potboiler on this committee, who we will probably here from, and he is young David Conroy, who represents and is a member of a firm that has \$758 million dollars of tax exempt property that they represent ~~which shows you that~~

These are traditional potboilers that are talking for the vested interest who bilked and raped the tax coffers of this state. Just this year we have had in three meetings of the Commerce and Industry bod. on 4-15, 4-26, 6-14 a total of 176 billion dollars of assessable property taken off of the rolls. Where is Mr. Roerm? Where is Sen. De Blieux? Where is Mr. Conroy? Where is Champagne? They're citizens, they could have run up there and said, "Gentlemen, gentlemen, where is the money coming from?" When your're taking the money from the poor, from the homrowner, the property owner, these people are the most silent you have ever seen.

Now, Sen. De Blieux made the remark that \$200 million dollars of that is going to be lost. This is not true. \$00 million dollars did go to the fund, to the property tax relief fund. The most that was given to the people while the homestead exemption fund existed was \$78 million dollars. The assessors had frozen into the constitution, and passed by the people, \$80 million. There is presently \$80 million guaranteed as a base for revenue sharing. ~~This statement--~~ They brush aside the fact that \$5,000 is already given in a veterans exemption. They burhs aside the fact that \$6 billion is removed from taxation. There are the lobbyists sitting in the room today or tomorrow who hve to plead the cause of their employer, and that is understandable.

They are the ones that are able to come up here and say "let's not shift the tax to industry." There is no shifting of tax to industry. Actually all we are trying to do is to make certain that the people of the state are protected, and I believe that it is essential that the realities and truth of the issues come out.

This plan was conceived out of the assessors of every parish, with 2 voting against.

Actually, Peg, as I understand it, the basis for going from \$2,000 to \$10,000 was taking the factors of the \$2,000 homestaead established in 1934 and the \$5,000 veteran and coming up with afigure coupled with the \$80 million, as I understand it, which is presently guaranteed in the constitution which is the most ever returned to the parish prior to the destruction of the homestead exemption and making little difference as far as the shift is concerned.

Here's the point--we keep hearing the proponents of shifting the taxes ~~from~~ the property owner, who traditionally has never been able to bear the tax burden of the state.

They keep using the simple plaintive plea and they sound so sad and concerned. Where is the money going to come from? We as assessors sit in the position of defending the poeple

of La. who are 90%, 80%, 70% of the people that are human beings and the backbone of society. They are the homeowner and the property owners. If we don't stand up and talk to them, the vested interest, the Roemers, the De Blieuxs, the Conroy-people who represent the billionaires. I'm telling you where to look up and see who Mr. Conroy represents, look up and see the suit that sen. De Blieux is involved in, look up Mr. Roemers family, their exemptions and see whose side they are naturally going to take up for. They don't tell you where the money is going to come from for that \$6 billion dollars we spent years and months arguing about how to remove an industrial exemption and yet when it came before this committee not a single one of these people stood up and tried to make a moved really made a moved to try to destroy this part of the people of La. believe the industrial exemption.

SLAY: We've criticised Jefferson pretty strongly about their roll of assessments and I read PAR reports and PAR will probably show you that some of our parishes away from Jefferson assess their property as high as 20%. However, in one of our northwestern Louisiana parishes one of the largest dairy farmers if their has their property assessed as low as \$1.00 per acre, now I don't believe Jefferson goes much lower than that. Now I'm not trying to point that out on them, we've got this problem all over the state, it's not just local, it's all over the state Now whether these percentages the assessors have are right or wrong, once you get away from the 100% it's like breaking the ten commandments, you're guilty of breaking them all. You can't say that 90%, 80%, or 70% is right, you've got to say what is right for La., you can't look at what is right for Kentucky or Texas or some other place. We've got to look at what is right for us. The assessor's have come up with some percentages here that does not pass the burden on the business man, in fact it reduces the assessment on his merchandise. It does pass some of the burden on the utilities and the pipelines that have not been bearing their fair share of the load and it does raise some assessments on land and will reduce the assessments on some lots. I heard one of the people that questioned Mr. Mira quite closely and pointed out that we show land assessed at 10%, if you look on down and read the whole deed thing we show all this coming from pine land at 4 and 5%, hardwood and everything. When you look at the whole picture at 5%, it's about all a man can stand

Chehardy: I have not made a vicious attack on anyone, I have sat politely by and watched these potboilers these people with an ax to grind slowly but surely attacking viciously the assessors for no reason. There only job with the rest of us is to come up with a plan, and I merely set out the facts on who these people are and who they represent. For example, I'm not like Mr. Slay who is so quick and when he referred to a dairy farm of over 2,000 acres in the northwestern part of the state, I wouldn't say it like that. I would say the Roemer Dairy of over 2200 acres with an average assessment ranging from \$1.00 to \$19.00 per acre. If this land is worth a 1,000 an acre then that's 2 million bucks meaning an assessment of less than 1%. Now I'm not certain on the values but I believe that is a rough estimate. Mr. Roemer's family can best tell the true figures on this, but we have a list of all the acreage here for this little man who laments the poor so greatly, but that's his assessment ratio. But be that as it may, Mr. Schmitt, I only answered truthfully and with facts. When I said a certain member of this committee's law firm represented 760 million dollars of industrial exemptions I gave the page in Marxindale Hibbard. When I talked about industrial exemptions and the family of this kind gentleman Mr. Roemer who laments what he taxes on the rich, despite what he says I stated what the exemptions were,

Chehardy: I was just checking my notes here and I just wanted to state that the title is listed under Charles Roemer and Not Roemer Dairies/

Roemer: Were you referring to any property that I own assessed at a \$1.00 per acre?  
listed

Slay: I am referring to property listed in the name of assessed to Charles S. Roemer, II.

Roemer: Is that me? I don

Slay: I don't know who Charles S. Roemer, II is but I also looked at one assessed, let's stop bringing out these personalities. I didn't call your name. When I read in the paper where you said that the assessors plan was a sham and we are trying to fool people, I began to check and see what kind of a sham we do have here. I found out that maybe the assessor's did have but there was another sham going on also. And this was listed under the name of Charles S. Roemer, II and there was another assessment underneath that I want care to talk about

Slay: Mr. Chairman, in answer to that we had a proposition by some people to have the it published in the paper. All of these records are public records. You can go to the tax commission and look at them, you can go to the clerk of courts office in your parish and look at them, you can go to your assessor's office and look at them. They're already published three times if you want to look at them, They're not secret

records. Now, if anybody want to take offense at what is said here, let's just take a look at all the things that have been said down the line,

VERBATIM ON STATEMENTS MADE BY ED STEIMEL, DIRECTOR OF PAR, ON VOTING AT THE CONVENTION - - - August 8, 1973

LOWE: Mr. Steimel, will you take note that I am here this morning improving my image. I am going to move in a moment that we have a record vote on all those things we like and dislike to increase the number of record votes. If the committee will bear with me for a moment to speak about something that might not be completely german with the subject matter, and Mr. Steimel will consent to answer a couple of questions, I will appreciate it. First of all, you made a research of a representative sample that is most important, Mr. Steimel?

STEIMEL: A representative sample?

LOWE: Or how it's being researched. Well, I was speaking about the voting record. Record voting, Mr. Steimel.

STEIMEL: We did not take a representative sample. We took all of the votes.

LOWE: Well, I might point out just how distorted all of the votes are. If you will have your research director go back and look at the first seven days of July, which was a rather slow start to the convention, you will note we were involved in procedural matters and there were not a whole lot of record votes. In fact, the first day there were no record votes, the second day there was one record vote, the third day there was zero record votes, the fourth day there was zero record votes, so that in the first seven days there were thirteen record votes. The fact is, in your sample, say for one month, the last four days of it, can you imagine how many record votes there were?

STEIMEL: I really wouldn't know. I didn't do the tables.

LOWE: Would it surprise you to know that there were 63% of the record votes in the last four days? That would not surprise you? Well, do you consider that a representative sample of someone that was absent for four days to gauge his entire contribution to the convention on the fact that he voted less than 50% of the time based on four days?

STEIMEL: No, and let me say that this will not be the end of our reporting of this sort. We will be doing this again and we will also go further on probably still another report and give you public information as to how convention delegates voted on some of the most critical issues. We think that this is important also for the public to know about.

LOWE: Well, I'm sure going to have to improve, Mr. Steimel, I have no doubt about that. The thing that concerns me is that I believe PAR's report, if the director had looked at it and seen that the last four days included 63% of the

entire record vote for the period, and we were to gauge a person's interest in the convention to report back to his constituents. In my opinion, Mr. Steimel, that is probably one of the most gross, my children use that word when they think something is really, really way out and not with it at all, this is one of the most gross examples of irresponsible reporting that I have seen since I've been in the legislature and in the convention, and I say that with all sincerity.

STEIMEL: I think that everyone here knows that Monday Lowe is one of the most respectable people in the state and one of the people I respect the most in the state. We did not want to hurt anyone with it. We felt by reporting on the record for the first month, that there is still five months, and that there is no one that should have a bad record at the end of the convention. This is one of the reasons we did it. We were attributed complaints by many people, with Bubba Henry himself, making serious complaints about the inattentance. We simply thought we could make a contribution by sighting this. We've done this on the legislature. We know full well that in the last week of the legislature, more record votes occur than that any other time. This is why we took the entire month of July. I realize that you were absent maybe the last week only, I'm not sure, and therefore missed the majority of the record votes because of the fact that you were not there. I regret what was implied to some people, but I am saying that this is not all we will be reporting. I am sure that your record will look good and I think not only yours but everyone's contribution to the convention has been outstanding.

VERBATIM OF MEETING OF COMMITTEE ON REVENUE, FINANCE & TAXATION SEPTEMBER 14, 1973

The meeting was called to order by Mr. Rayburn and the secretary was asked to call the roll:

Alario  
 Badeaux (Present)  
 Brown  
 Champagne (Present)  
 Chehardy  
 Conroy (Present)  
 DeBlieux  
 Edwards  
 Fontenot (Present)  
 Goldman (Present)  
 Lowe  
 McDaniel (Present)  
 Mauberret  
 Mire  
 Newton (Present)  
 Nunez (Present)  
 Planchard (Present)  
 Rayburn (Present)  
 Roemer (Present)  
 Schmitt  
 Slay (Present)  
 Smith (Present)  
 Winchester

Champagne: Mr. Perez, do you think that there is a possibility that if the state ever did get in the property tax business that we would require statewide imposition--and I'm thinking very much along your line, but until we resolve this tax problem, in other words, this ad valorem tax problem, I can't definitely say how I'm going to vote on this issue.

Perez: One of the problems we have with this property issue--if for any reason the state would want to try to get back into the property tax business, we're going to have to make provisions in the constitution. We're going to have to find some way to give local government the authority to raise their own funds. One of the considerations we had in this section, whether we like it or not, about the only real base that local government has is the property tax. In other words, while we might get away from property taxes as a base for local governmental bonding. I simply don't see any way to do it. And this is designed to at least insure that we do have some kind of base for bonding purposes. If the state moved back into this field, and for example, levies state property taxes, this is obviously going to make it very difficult for local government to use this as a base for bonding as it does now. For that reason, we felt that as Mr. Perez pointed out that since the state has gotten out of the field, that it would be proper to give this source of revenue to local government because it is so important.

The secretary advised there was a quorum present.

Rayburn: We have with us this morning the subcommittee, I believe, of Local and Parochial. Mr. Perez, yesterday hastily going over the committee's proposal, we found that in several sections there is more or less a conflict to some of the things that we have adopted and we felt like maybe we could get together here this morning we might can reach some happy medium. And I'll ask the staff at this time to read out the sections yesterday that we felt like there might be some conflict and certainly we don't have to reach an agreement now, but we will make you aware of the ones that we felt like there might be a conflict and you'll probably want time to study it a little. We didn't want to get in a head knocking deal on the floor. We figured this would be the best way to handle it and Mr. Norris, do you have those sections there that we briefly went over yesterday, kind of hurriedly.

Champagne: One of the reasons why we have a low tax base is because of the low assessments. How are you going to have a base for your bond issues, if you're going to assess things for five percent of their value? I submitted yesterday that I was considering that I wasn't satisfied that your proposal was going to solve the problem.

Rayburn: Do you think, Mr. Perez, that the legislature should be constitutionally prohibited from ever entering back into ad valorem taxes as contained in the language in Section 37?

Perez: Just as much as I think that local government should be prohibited from imposing an income tax or a severance tax.

McDaniel: Reference has been made here to the conflict that we have. As I understand it, the only conflict we have is that we just don't have a prohibition against the state getting back into the ad valorem business. Is that basically the conflict between the two committees?

Conroy: I still wonder whether there is a corollary of this proposal that your committee considered that the constitution should not contain anything connected with ad valorem taxes.

Perez: That presents a great problem because of the fact that if the state imposed any substantial ad valorem tax then it would virtually destroy the ability of local government to raise any funds. Suppose the state decided to come in with

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that the millage could be raised by a vote of the people and adjust that call for the purpose. It didn't say where if it was a special school district, I mean a local school district where that would mean that people of the entire parish would vote on it. People of the district would vote on it. Now when approved by majority of electors who vote in an election held for that purpose, now that same language "who vote in an election held for that purpose" is the same language as where you say a district may levy millage by a vote of the people and you use the same language "when an election is held for that purpose" and there was some of us concerned about whether or not this meant....

a 10, 20, or 30 mill tax? Where would we be? I believe we now have a five-mill limitation -- a five and three-fourths mill limitation--before it was taken out. You can understand the real danger involved in how it can virtually destroy the ability of local government to raise funds if it were completely left wide open to the total statewide ad valorem taxes then local governments would really be out of business.

Perez: I'm sure we have no objection about my language if it would be within the particular district in which the election was called.

Rayburn: Look on page 19, at the top of the page. It will be under Section 36(B). We were just curious to know if you have a hospital district or sewer district in say, four wards of a parish and you want to increase that millage by one mill or two mills or four mills or whatever it might be. Would the people in that district be the ones to vote or would the people in the parish as a whole be able to vote on those people? But it just says by majority of the electors who vote in an election held for that purpose. If you follow what we're concerned about, it could be a parishwide vote or it could be a district vote. We just didn't think it was quite as clear as it should be.

Rayburn: Mr. Perez, let me tell you why I'm leery of it and certainly if the local government can raise the revenue it would be a great relief to the legislature. But several years ago, we gave the parishes the right to levy a one-cent sales tax for the purpose of giving the teachers a raise. In my opinion, we made a mistake when we did that because we gave them the authority in most parishes that have levied the one-cent sales tax and they're right back to the legislature every time we meet with the same problems they had prior to the time we gave them that authority.

Norris: The first section that we discussed yesterday was the possible conflict in Section 37 which prohibits the state from levying ad valorem taxes and restricts this area of taxation. Would you like the members of Local and Parochial to comment on each separately?

Perez: The theory of education has always been partial support by the state and partial support locally. I don't think that's inconsistent with the one-cent sales tax.

Rayburn: Well, I think they could give us their reason for it and certainly....

Conroy: My question still hasn't been answered. My question was that if this section should be passed the way its written, would your committee then take the position in regard to our proposal--that the constitution should contain nothing with regard to assessment ratios, nothing with regard to exemptions in matters of purely local governmental concerns.

Perez: Well, with respect to this particular section, there are several reasons this provision was put in. One, is because of the fact that the state is not now in the tax business; secondly, because the greatest income of the state is derived from property tax by about three percent of the total state revenues; third, we have certain areas where you prohibit the local government from taxing, where you prohibit them from imposing income tax and so forth. But we felt that local government should have meaningful rights and responsibilities in finding money with which to operate. And since the state is now out of the property tax business and since there's never been any significant percentage of the income of the state's revenue....I might also say that, hopefully, in the event that this proposal passes that we could go a long way to straighten out the assessment problem.

Perez: All I can say at this time, my committee has taken no position and has not discussed this matter at all. Because we realize that that's in the province of your committee. In my judgment, if the state is prohibited from getting back into the property tax field, I feel very strongly that this great problem of how to equalize will go out of the window and that we would be able to have a system almost like we have now. I said as far as my committee is concerned, we have not considered it at all. I am appearing here as the chairman of the committee and as far as the committee is concerned, we have not considered this matter at all.

Goldman: I believe my question has been answered, but I'm going to ask it again anyhow. With regard to Mr. Champagne's question a while ago about equalization,--if we have an equalization

section in our proposal, wouldn't the last sentence here in "political subdivision" should be exercised as provided in this constitution, wouldn't that then provide for equalization? Even though the local entities would handle the ad valorem taxes. I still would like to do it on an equalized basis all over the state.

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Perez: I don't see anything which would prohibit any other provision in the constitution from requiring all assessments to be on an equal basis.

Mire: I'm not sure if I should ask a question or if I should make a statement about a meaningful homestead exemption for the people. We've discussed this back and forth with the Assessors Association and the fact that we do have a court case that does now say that we do have statewide equalization, we feel that the state will be in a situation where they can't get back, if they want, to the ad valorem tax field. We would hate to say that they couldn't if this should be a part of in fact having a meaningful homestead exemption. I'm sure, Mr. Perez, that you're very conscious of us not at this time having any losses as far as local government is concerned, due to our exemption program. We do in fact receive these moneys and the local taxing authorities do in fact have these moneys to spend in their local areas. The only way we can have a meaningful homestead exemption is to continue such a program. To continue it, we would have to have some sort of property tax relief fund. Revenue sharing is not going to be the answer. It's costing some parishes money now. So the state very likely will have to be in some way tied into the ad valorem tax field. I would certainly hate to have to close that door and say today to all the people in the state that you're not going to have homestead exemption anymore, or you're going to have it, but it's going to be absolute in the constitution, but the local government's not going to have the money.

: As I see it, there's no relationship between homestead exemption and prohibition of the state getting into the property tax business. The state could still come along and require on a statewide basis that everybody be assessed equally. So that there's no necessary correlation or relationship between this Section 37 that would prevent the state from getting into the property tax business and homestead exemption. I assume the state prohibited the imposition of tax on the first \$2,000 but then they would find a way to make that money up from another source. But that has nothing to do with whether the state imposes an ad valorem tax.

: It does in that sense, but you will have to admit a meaningful homestead exemption program would have to be money that would be reimbursed to the local taxing authorities by some state agency.

: I have no quarrel with that. Some way or another you prohibit the state or local government from imposing a tax on certain assets that should be the state's responsibility to reimburse them in some sort of way and the homestead exemption system worked well except that the courts messed up on it.

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Mr. Roemer: Mr. Perez, to continue the line of questions on the ad valorem tax, -- because surely on the floor these questions will have to be answered, perhaps more directly than you're doing now. You said, at least intimated, in the way the section is written, that you understand two things, one the need for local government to have a tax source that is reasonable and can expand as the community grows--which obviously is the property tax source--at the same time obviously, that all such parishes are not the same. In other words, this particular source grows at various rates in various parishes, etc. Now that leaves us with those two things; the importance of the source and the variety of the size and the economic scope of the source. Wouldn't that lead you to the conclusion that if we adopted your section, that we would not have a statewide homestead exemption. In other words, the same homestead exemption wouldn't necessarily apply in Jefferson Parish as Bossier Parish? What's your feeling on that thing, have you all given it any consideration?

Perez: I don't understand the relationship between the two.

Mr. Roemer: Okay, if you have a statewide, a single statewide rate of assessment on a home, and you have a single statewide homestead exemption dollar figure, that means that the same \$50,000 home in Bossier Parish will be exempt as in Jefferson Parish. But the number of such houses in Bossier Parish might not be the same as in Jefferson Parish. So the violence done to the base, the tax base, is not the same in each parish. Do you think it would be a benefit to leave not only the authority to the local area but to leave the rate itself to the local area and the homestead exemption to the local area? That's what I'm saying.

Perez : Going back to the fact that you were trying to push me in a bowl of soup with regard to the ad valorem tax problem which, and I'm here as the chairman of the committee stating

our position--we have no position --on that because we haven't taken up that matter. But I still don't see the problem that you posed because of the fact that prohibiting the state from getting into the property tax business has nothing to do with the homestead exemption problem. They're just not related.

Mr. Roemer: Is it going to be the position of your committee that the state is going to be constitutionally prohibited from being in the ad valorem tax business? That would not prevent the state from exempting your very base.

Perez: My contention is that it's one thing to say that the state can't share in the proceeds, but it's something else to say that they can cut the base out from under you, which in effect puts them in it, by taking you out of it.

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Mr. Roemer: It's my understanding, when we had the state property tax, they did not use those funds to reimburse the parishes for the homestead exemption, or the property tax relief fund. The property tax relief fund came from another source altogether.

Perez: Mr. Roemer, to follow what you were saying, if the state was out of the ad valorem tax possibly there would be no need anymore for a statewide equalization and with no need for statewide equalization, how can you then administer a good and just homestead exemption program. It's impossible.

Mr. Kean: I don't really see any relationship as Mr. Perez has indicated. If there's any question as to who's in the property tax field and the question of homestead exemption applicable for years to the parish and special district taxes and incidentally the state was in the business to the extent of 5 and 3/4 mills. The basis for state interest in the homestead exemption is the desire to protect the home against seizure from taxes. Under those circumstances, the state, in my opinion, has got a legitimate interest in a sound homestead exemption program regardless of whether it's in the property business or not. I agree with Mr. Perez, there's absolutely no relationship between those in the property tax field and whether or not you have a property tax exemption. Now, it's obvious, I think that if the state said every home throughout the state would be exempt from taxes period. That this would take away the base that the local government would have so far as the issuance of bonds or regular taxes or ad valorem taxes are concerned. If the state is going to provide a meaningful homestead exemption then it's got to provide some means by which it's going to give back to local government the amount of money that is represented by the exemption either throughout the property tax relief fund method that is frequently used or the revenue sharing program that is being carried out in lieu of the property tax relief fund program. You've got the mechanics that have to be worked out by which local government is going to be protected. But in final analysis, there's really no relationship between who is in the field.

Roemer: I'll conclude my questions by making the final point and that is exactly my point, Mr. Kean, that you have in Section 37 done nothing to protect the potential source of revenue, vis a vis, ad valorem taxes. Now, that's my submission, because it's not enough to say what the exclusive right of taxation is. The quality and the guts of the issue is how you determine what the tax base is, what the rates are, what the exemptions are, etc.

Kean: My point is, you give us Section 37 and we'll go from there. At least, it takes us part of the way home.

Mr. Slay: I want to go a step further. As I listened to Mr. Perez, he said that if the state gets out of the property tax

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field, equalization would probably go out of the window and that is a new thought that our committee adopted. For instance, each parish would make its own assessments.

Perez: I might repeat again, I'm speaking as the chairman of the committee--we have not taken up that subject at all. If you ask me for my personal views, I believe that we will greatly simplify the problem and go a long way towards solving it, but I don't say that we would necessarily have to have all assessments on a local basis. But I suggest to you that there are many other ways that the state could work out the solution of the problem. For instance, if it's sent back on a local basis, one parish assessment was 10 percent, another is twenty, and another is thirty. The state would then have some method by which they could come back and reimbursing could set it up on some percentage basis--on a parish-to-parish basis--I'm not trying to suggest a solution again, I'm trying to get out of this bowl of soup, because it's not our bowl of soup.

Mr. : I understand that, but you have to think of what the object would be, and what the courts would think.

Perez: In recent cases in discussing the matter with several people who are knowledgeable, I'm satisfied that if the state is out of the property tax business then there's no real need or requirement for a statewide equalization assessment. Going back just a step further, Judge Reuben threw out the old property tax relief fund--our homestead exemptions. He kicked out the property tax relief fund on that very ground.

Yes, that's correct if you go back to reimbursing on the basis of assessments and you don't have the quality of assessments, you're right back in the problem again. I agree with that, completely. Again, I'm trying to point out the fact that who imposes ad valorem tax has nothing to do with the homestead exemption.

I'm not so concerned about the debate, between the Senate and the House, what I am concerned about is that we have so helpless a property tax relief fund that will actually pay the taxes on homestead for a person who does pay homestead exemption so that that will be included in the tax base. See, under the revenue sharing my homestead exemption is not included in the tax base, and under the a, a, my parish loses that much in their banding taxes, see, that's the thing.

I want to ask you what your committee thought of some way we're supposed to get out of this thing--we're providing now with our provision dealing with the debt increase in the same language I think that Mr. Rayburn has a constitutional amendment that calls for the last session of the legislature. We've solved that problem, I hope that it will get the money back to the state.

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My word is this, I feel that revenue sharing is suitable for the homes that first fall through the chart, it's going to take it out quicker than through the property tax relief fund, cause I can see myself all kinds of errors in that thing. While we're facing it, we might as well face the whole thing, and come up with some kind of answer for revenue sharing.

Again, I just want to plead my committee's concern, there's no direct relationship between this Section 37 and the homestead problem. I can understand the fear that if you don't have a statewide property tax then it will not require the equalization of assessment statewide, then on the other hand, I just can't conceive of how you're going to get the entire state on an equalized situation, that creates a real problem.

But, Fred, I can see where you might have later on down the way if the legislature decides at a later date to raise the homestead exemption from 2000 to 5, you would have a serious problem if you were operating on your 2000 figure and then they raised it to 3000 or 4000, or 5000 which that has been discussed by this committee. Whether this Section 37 is in or out, we still face that same problem.

Mr. Kean: That's our tax expert-- the situation you were raising a few minutes ago about there not being any connection between the homestead exemption and the property tax, I don't think that's exactly the situation right now. That was the reason for Sen. Rayburn's constitutional amendment. The present provision in our constitution absolutely exempts \$2000 homesteads, there is no if's, and's or but's about that and that's what the argument was when it was presented to us that it would guarantee that exemption from taxes. The state is out of the ad valorem tax business all together and if the property tax relief fund is reinstated, and it can't be if the state is all together out of the property tax relief fund. If it's not reinstated, don't you realize there'd be no connection whatsoever with the state insofar as reimbursing the local subdivision the amount of the taxes they would lose by the homestead exemption. You've got to have it.

We are now at a halt in the convention. We've got to have some type of tax to support local government. With the help of ---- and in the interest of ---- the state possess ---- which at this point will reimburse. The severance tax we did not ---- for local government and the tax. Ask Mr. Tobias, he has seriously asked the committee about putting a provision in here that would provide for levying income tax or land use tax by a vote of two-thirds of the legislature. And somewhere down the road it may be essential to move in that direction in order to get local government sufficient money to operate. The committee voted that

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down. In the general area, in which the state has the right to prohibit the tax. Some areas in regards to sheriffs in regard to limitations of funds for sales tax and use tax that can be levied by local government we think even that is a little too sticky. But in trying to build a relation-

ship between the taxpayers of our state and the views of local government we just have to feel that this is one area where our state has now gotten out of it this year.

Rayburn: It seems to me that it keeps popping up in this conversation about Section 37. That the homestead exemption has a bearing and evidently some of us are getting confused that the old property tax relief fund still exists, Sen. De Blieux, and I can't see any way that we can tie into what is generally called revenue sharing with homestead exemption. We know what will happen with what we have changed, that from 100% property tax relief fund to 50-50, now it is on 80% population. And it is nothing to do with homestead exemption.

Mr. : What did they do with the other 20%?

Mr. : 20% is homestead exemption. It is just like when you take 20% cattle, 20% land. Would you consider that the same is taking care of property tax relief fund? Would you consider the courts to rule that revenue sharing is now taken care of by property tax relief fund?

De Blieux: It wasn't supposed to take care of it.

Rayburn: Well certainly it was. It seems to me that what we've done is exactly what I've been trying to get over to Sen. De Blieux. We have no more property tax relief fund, the homestead is something that the state has given to the parish or to the homeowners simply for protection. But today we come back and raise it to five thousand dollars (\$5,000) or ten thousand dollars (\$10,000) and a ten percent assessment. You are eliminating every possibility of you ever raising any tax at all. I think the only thing we are concerned with here today is shall we take the legislature, and it is my understanding that the last constitutional amendment that we passed in 1972, the state is no longer in a property tax business. We are out of it completely but we still have a provision that we can't

get back in. I think what we are faced with here today is shall we let the legislature or shall we take the state from ---- the property tax then it is again not homestead exemption, not property tax relief fund, and not revenue sharing. Maybe some people think it all ties in but I...

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Perez: I recognize him for question. Did you ask it yet?

Mr. : I asked it to Sen. De Blieux and I got no answer.

De Blieux: When you say twenty percent of the revenue bonds are paid for, twenty percent of the property, the revenue sharing ----

Rayburn: That is a long way from one hundred percent Sen. De Blieux.

DeBlieux: That is the same problem, everybody is bringing up homestead exemption and ----

Newton : Your objection to having a tax base is the property tax of the revenue sharing fund formula, are the parishes presently bondable?

Rayburn: As I understand it, it requires legislative action on a year to year basis. There is no requirement that there be revenue sharing and therefore, in my committee those are difficult terms bonding revenue sharing parts. I don't think we can do it at all.

Perez: Look, you do excuse me if I can provide a resolution, there is an ad valorem fund set up in the constitution, but the method of distribution of that fund, who gets what, is not straightened out. I can't conceive of how anybody would provide bonds based upon not knowing from year to year what any particular parish is going to get out of it.

Mr. : Was there any consideration given by your committee to setting up a revenue sharing fund that would be bondable?

Mr. : Revenue sharing was assigned to our committee, all we have been able to do so far, on the behalf of my committee, was just a general statement saying that there shall be a revenue sharing fund. Our committee intends to take that up at a later date, we have not taken it up.

Mr. : You have not taken it up at all?

Mr. : No, except to introduce just a general provision so that we would be able to take it up at a later date. We didn't want it introduced prior to the deadline ----

Mr. : This discussion here this morning has brought quite a few problems that I haven't even considered. For instance, the the 5 3/4 mill tax which in effect opened it up to the state to levy any amount of property taxes as possible without ceiling limitations. I believe that possibly the state should have faced up to it's responsibility,

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particularly the assessors, and I don't mean to take off on the assessors, but I do believe that this committee should give some very serious consideration to structuring a meaningful property tax relief fund that would give some real relief providing fund could be bonded.

Rayburn : You have another question Mr. Schmitt?

Schmitt: Should this Section 37 be read in conjunction with Section 40, with regard to constitutional amendments and the right to privacy, and a lot of the profit raising?

Perez: If you would look at line 20, if you're talking about the general homestead exemptions on line 20, on page 20. We have a reference to including property exemptions as homesteads to make it clearer if there are any bonds! That would take care of Sen. Rayburn's problem.

Schmitt: That would alleviate the present problems that a lot of the parishes are in except for Orleans Parish. In other words, problems where bonding has been reduced would actually increase the figures.

It would put it in the same position it was two years ago before the constitutional amendment which took all the revenue sharing, and the absolute 2000 dollars homestead exemption.

In order to take the state property tax business it seems to me that we really have to get to a philosophical decision. I think some of the criteria that you have established are confusing.

Perez: We are hopeful of taking what we consider to be a reasonable approach in taking those areas where the state is starting to raise their funds, say this belongs to the state exclusively; like income tax, and severance tax. On the other hand where the state is out of the property tax business let's reserve that exclusively for local government. We thought our position was a reasonable approach to present status quo the way we raise our funds to operate both state and local government.

Schmitt: I still don't understand the objective of taxing and so forth for homestead exemptions. I still don't think it really relates; I think it's something separate. I don't think it relates to Section 37 at all.

Let's assume that the state would establish classifications of property. One of the classifications would be residential property. If you allowed the local governing authority the right to get the percentages of the different classifications,

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you'd be allowing them the right to adjust the homestead exemptions according to different assessments.

Perez: Then you'd be back in the same bowl of soup again. That's why the Local and Parochial Committee didn't go into all those details with respect to homestead exemptions and property tax relief. The only proposal we have is to get the state out of the property tax business. And again, we can only say our position is that they are not directly related.

Schmitt: I would only as would this alleviate the problem.

Perez: As you know, you fellows argued and discussed this problem for months and months. I would like to suggest to the chairman that we have a committee meeting of our own to discuss other areas to straighten things out. I think it's a question of whether the convention wants to get the state out of the property tax business or not. I would also pledge the committee to move in other areas, to clean up other conflicts between your committee and our committee.

Rayburn: We'll ask the staff to furnish you with where we think there is a conflict and a copy of the proposal. Is that agreeable? Do you have to leave now Mr. Perez?

Perez: No, I'm only saying that I was hoping that we could get on to some other subjects. I was just suggesting that we've discussed this matter thoroughly, I don't think we'll resolve it and it's a question of whether we'll get the state of the property tax or not.

Rayburn: Do you have another question Mr. Schmitt? O. K. Mr. Champagne.

Mr. Champagne: I have just one thing that I want to bring up, Mr. Perez. Since you have been here a little while and the other members of your committee, while we have completely different views on this committee we can be solidified on one thing, I think that if this is a problem that we could best decide after the time which we could possibly come up with some solution to the problem to property tax. Now I want to reiterate my request that we would have a fixed

position on how to vote on this, once we could come up with a solution to the problem. And I think that if it would be at all possible, I would request that your committee pass over this section, come back to it, at a later date, at the time when it comes on the floor, at the request of me. Now the thing is about it that I agree with it; there is no relationship necessarily between whether the state is in the property tax business and the fact that they do create a homestead exemption, on that basis, not because the money may come from other places, but the point that I want to point out to you is that the tax base is indeed influenced by the fact that if we indeed

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exempt all homes in the state, if we decide to exempt all industries, if we exempt all other things in the state, then we have no tax base on which to issue bonds. And a simple statement, in your line 20, on the next page that you will include all this exempted property doesn't necessarily mean that the bonding company is going to accept that. They may just go buy their bonds in Texas or some place else. What that particular provision means is that even if they aren't paying the tax, that would be included in the limitations as to how much taxes or bonds you could impose. All it means is that somebody else will be paying that tax. Those who are in fact paying that property tax.

Mr. Perez: I respect your opinion, to pass over this; but at some stage in local government proposal, it's going to have to show local government some means of source of revenue, because we provide in a lot of sections for home-rule without any sources of revenue to rely on. None of these sections will be really operable. Somewhere in the local government proposal, we're going to have to come to a meeting of the minds, to allow a revenue source for local government. I just want to point out--I'm very sympathetic. I mentioned yesterday and I'll mention again, if it looks like that my little inventory is going to have to pay the whole taxes for the people with nice beautiful homes, then I'm in complete agreement with you, I'm going to get on and really clear the brush for that land.

Mr. Perez: I'll be glad to submit to the committee a suggestion but we have another consideration. I think Mr. Champagne's statement was right.

Mr. Rayburn: Looks like we're in our usual stride this morning. I have 7 on the list and ... what's your pleasure? Do you want to go ahead with this line of question or do you want the staff to read the other proposals?

Mr. : Mr. Chairman, in deference to the honorable delegate from Plaquemines, I move that we go on, I will waive my name on the list so we can proceed.

Mr. Fontenot: I think Mr. Perez's statement was right, I don't think we brought out all the issues I think are going to have to be decided on the floor. What questions I wanted to ask were asked previously. Now I'm in a state of confusion. I'll have to look over this more closely. I don't know how I'm going to vote.

Sen. Rayburn: Let's move on then if it's the will of the committee, let's pick up the next section where you feel that there might be some conflict between our suggested proposal and their proposal.

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James: Next Sen. Rayburn would be Section 33 of Committee Proposal 17, which seems to be in conflict with this committee's proposal in that in Revenue, Finance and Taxation's Committee Proposal 16, we allow the local political subdivision to levy an occupational license tax provided it would not exceed that levied by the state. Here by 2/3 vote of the legislature, the local political subdivision authorized to levy an occupational license tax rated higher than the state occupational license tax.

Rayburn: Only upon vote of 2/3 members of the legislature, that pretty much follows what has been done in many other areas, and instead of settling that by making a constitutional amendment to change something let's make it be done by a 2/3 vote of the members of the legislature.

Mr. Conroy: There's another conflict as I recall. Our committee's proposal, we limited this to an aggregate equal to the Senate, so that if you have incorporated municipalities within the parish that the total of the local municipalities in the parish taxes could not exceed the state occupational license tax. Here is it your intention to have an incorporated municipality within the parish, both the incorporated municipality and the parish, could separately impose occupational license taxes equal to the state occupational license tax?

Perez: Our intention is to maintain the status quo whatever the present situation is.

Conroy: I don't think this does it then and I suggest, James, do you have our committee proposal's language on that? You might show it to him.

Perez: Would you read Mr. Norris?

Norris: This is Committee Proposal Number 15, Section 4, Subsection C. "The political subdivisions of the state shall not levy taxes on income of natural resources severed from the soil, water, or carbon fuel. Any occupational license taxes levied by a political subdivision shall not be greater than those imposed by the state and the total amount of any occupational license tax levied by a parish shall be recused by the amount of any municipal occupational license tax levied."

Perez: We're only trying to maintain the status quo. I'm sure the committee's agreeable to that.

Rayburn: What's the next one Mr. Norris? I believe that Mr. Slay wants to discuss Section 15.

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Norris: I believe Section 31, on page 15, of the Committee Proposal 17, I think it's paragraph or subdivision (A) there of Section 31, the second sentence. There was some question yesterday as to whether this would authorize a local governmental subdivision by a majority vote of the electors to increase the millage rate to any extent. There might be some question by the committee members. This is the interpretation that was given; there was some question, if you have any questions, go ahead.

Perez: I might just remark at this time it is true that there is no ceiling, except a practical ceiling and we know how difficult it is to pass a property tax. It's probably the most difficult tax to pass on. We might impose a 30 mill tax. We just rely on the fact that the people would not go for any increase in any taxes.

Rayburn: There was some concern, Mr. Perez, by some of the committee members that since now everyone votes that we might should consider some type of limitation. We had discussed it, just briefly talked about it. Millage elections are not like they used to be now those that don't own any property can vote just as equally as those that own property.

Perez: We know that the 4 mill tax in the county parishes instead of the cities, is ridiculously low rate at this time. We are trying to find a way to get general operating funds, by the vote of the people.

Slay: In some parishes --- There's some states where you have millages that are completely out of hand. I know of one time in Vernon Parish they ended up with millage of 300 mills that was used to get industry and all that. Alimony is the operating tax for the parish but I think that there should be some kind of a limit. I'm thinking of our own parish of Rapides, you see a lot of taxes turned down. A couple of years ago, right, now they don't usually vote taxes up there and I do believe there should be some limitations.

Perez: It's a problem that we had and we may have gone a little too far, the problem we had was that the four mill tax was a fixed cost to increase to 7 except by constitutional amendment. I would agree with you that some reasonable limitation might be placed but the problem of what is a reasonable limitation do we say no more than 10 mills or no more than 15 mills or or no more than so many mills. I don't believe that our committee has any strong feelings about it. As long as there's some latitude to go to the people and say look we need to increase this alimony tax and have some reasonable area in which to increase it.

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Slay: I think in the community if we do get our homestead exemptions since most of the homes are of low value that if you sell to anybody this won't cost you anything. These other people are going to pay for it.

Perez: I'd be glad to entertain--if your committee had any suggestions I'd very much appreciate getting them ahead of time than right there on the floor. When the convention takes this subject up but whatever you have I'd be glad to take a look at it to see if we can't come up with an agreement.

Rayburn: We haven't really discussed this Mr. Perez other than just briefly looking through. There was some discussion as to whether or not there should be a limitation, that's about the extent of the discussion we've had. If we do discuss it further and reach any conclusion I'll certainly get back with you.

DeBlieu: Mr. Chairman, making observations in regard to the provision in regarding the vote of the people, I really don't see any objections to that,---disclosing my surveys, where the votes have been taken on everyone voting on that, the tax issues are already passed since everybody can vote now. Before only the property owners vote for reason that many of the tenants and apartment owners feel like that tax is going to be passed on to them rather than to the homeowner which is subject to the homestead exemptions.

Lowe: My problem with this particular section would be that we are going to be in an area, on property taxes. In the process of coming up with a reasonable solution, we may end up with a tax base that is 2 or 3 times what the tax base is now. If the homes are presently taxed at the tax rolls at 6%, 7% or 8%. If we are successful in coming up with a proposition where we will come up with market value figures and 15% of that market value--and I agree with you that the present ceiling is ridiculously low, but this would be an automatic two-or-three time increase right there. Then if on top of that you come up with no ceiling here, you would really leave the door open for tremendous increases to the homeowners and business people. This is just not concerned about no ceiling in this particular area because those definitely appear to be a two-prong effect with the route if we tried it now. An increased base or an increased ceiling would have a tremendous effect.

Perez: On the other hand, you take a parish like Caddo or my parish, Plaquemines--and set a five or ten or fifteen percent, you are going to bankrupt our parish if you can't increase it proportionately to come up to at least what we were getting before then. You are going to bankrupt us. Especially if you go right back to the same old problem--property taxes.

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Perez: Well, you may have to go with Mary Zervigon's proposal that it would all be on a local basis and no one ward---except what goes on limited confined in one's own boundaries, and that may end up being the solution. I wouldn't say so at this time, but we do have a problem. That's my problem with this ceiling. I'm sure that the problem lends itself differently to different parishes, but when you take the overall view, I am told that there is a possibility that when you go with fair market values today, on homes for instance, that maybe the assessment ratio on homes will go for six or seven or eight percent. Now whether that happens or not, I don't know.

Rayburn: In my parish, and I'm also told in Caddo, there is a very high rate and in other parishes there are a great deal more than fifteen percent or seven percent, and so on ---

Lowe: A statewide average doesn't solve any problem in a particular parish. My concern is there is no ceiling. That's the problem I have.

Rayburn: We understand, we are not going to get ourselves in a position where we have a totally uncontrolled situation. We just felt the vote of the people who will eventually control that and not allow it to get out-of-hand. We will be glad to look at some suggestions for putting limitation on it as long as it is within some reasonable time limit.

Lowe: I also would take exception to your statement about the fact that the vote of the people would control different parishes; the metropolitan areas may have a different effect than a small parish like Cameron or some other place. I would also have a problem with that particular theory also.

Rayburn: Well, gentlemen, we will be glad to look at some reasonable limitation on a reasonable ceiling. Mr. Champagne.

Champagne: Mr. Perez, the full mill tax if it is passed which was not in the constitution originally.

Perez: That's correct. It's a constitutionally imposed tax.

Champagne: Now, let me ask you this. Is this saying that the provision that in communities it would be two mills and the other one--four, is leaving it the same? Or is this thing that parish can levy four and has nothing to do with the towns of two?

Perez: At the present time, the constitution provides that if a municipality provides its own road system of maintenance then that would save one-half of the parish tax. So, if

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there is a four-mill tax, they would only pay two, if levied 3, they would only pay one and one-half--that continues in this constitution.

Champagne: Let me ask you one more question. Have you thought about the possibility of seeing that limitations shall be as in existence at the time of the adoption of this constitution but that may be increased by a vote of the people? That would be very simple and it would not...

Perez: We did not want to put any discussion in the committee about increasing millage that the municipalities or parishes would be constitutionally or otherwise levied. Rather, that we increase the seven-mill municipal tax to ten. A parish with four-mill tax to seven. We felt that this would represent an automatic tax increase. For that reason we left the authorized millage at four and seven with the provision that it could be increased by a vote of the electors. And, it is our theory that under those circumstances, that if the people in a local community wanted to increase that ad valorem tax, they could do it. The only problem you have is that you wanted to put some kind of ceiling on that and we were simply at a loss to come up with any kind of ceiling where we would back into the situation of amending the constitution because the ceiling is too low.

Champagne: As I stated, what I am trying to say is the people of Orleans, and the people of Jackson, they are aware of what their ceiling is. We would not have to refer again to Jackson Parish, Orleans Parish as such. We get it done in a very simple way, and also we would provide and we would call less attention to the people--as to what this parish and that parish gets in refundable bonds.

Perez: The only problem with that is that Orleans Parish and Jackson Parish unfortunately presently have authorized a different millage rate from any of the other parishes.

Champagne: You see, the way I stated it - I just wanted to present that to you, because I will bring it up again. In other words, if it gets over this problem of continuously mentioning the parish by name, and it does exactly the same thing. And, of course, the argument I have is the people have a right to vote--there is no question about Orleans and Jackson. They do vote--and, this is, of course, the difference from the rest of the parishes and this keeps pointing out to the people that we have exceptions, and such. This way you know the exception is maintained.

Mr. Goldman: Mr. Chairman and delegates, I don't have any problems with limitations on the millage, but I think one suggestion as to how we could get the people to vote on this thing, and that is instead of saying "by a majority of the electors who vote at an election," I suggest you might change that to "by a majority of the electors who are qualified and regular."

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Rayburn: You would never get it passed.

Champagne: You're absolutely prohibiting the increase of taxes.

Goldman: I don't know whether you would or not. If it were necessary and the people thought that they should have the increase, I think they would get out and vote for it.

Perez: We have voters turn out from ten percent of the registered voters to thirty or forty percent, generally speaking.

Rayburn: It might be a good amendment, Mr. Goldman. It would never increase taxes.

Goldman: I think it would get more people out to vote.

Rayburn: It would make more go fishing in my opinion.

Newton: Mr. Chairman, I think we have a problem here with this millage working. A more serious problem than we really thought of. The adjustment in the tax base with whatever percentage you come out with, there is going to be a millage roll backward in some places, and there is going to be a millage roll forward in some cases. And, I think that in order to get to the problem we are addressing ourselves to--of not having any increase in taxes except on the vote of the people, with which I agree, we are going to have a little more complicated formula than we have here.

Perez: Well, I raised the question could we come out with some sort of a required percentage in that particular solution of the problem, and at that time you would make an exception and have an automatic increase or decrease in tax, and I don't believe---. In other words, what I am saying is that if the convention comes out eventually and says you shall assess this certain percent or that certain percent, I think that in that same provision we've got to come out with some provision that would require that taxes are automatically adjusted up or down in order to keep that particular local government on the same basis. But, I don't think that it is necessarily the relationship with what we have here.

Mire: In effect reduce the taxes on the property tax. I think that if you were to lock in the percentage as the alimony taxes, that would remain constant. Then you could add by a vote of the people as other taxes on top of that would be reduced.

Perez: In other words what you're saying, where we now have a 4 mill tax you put a ceiling of 10 mills, but then in a re-adjustment we may automatically have to go to 8 or 9 mills in some parishes. Then you take it away from them and increase the levy.

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Mr. : I think it's a lot more complicated than what we address ourselves to ----

Slay: I just have one other comment Mr. Perez. You might want to look at what the school boards have now. They have a tie on constitutional taxation. You might want to look at something along that same line, which I think it works good for them.

Mire: Mr. Perez, I'd just like to call one more thing to your attention and I think that it's something that's worth considering. The fact that we have by very nature of our location some parishes that are very, very rich and some that are very, very poor and those that are close by that has a tremendous amount of industry up to a billion dollars worth. They've announced another half a million dollars worth. Our people are going to be housed by Livingston Parish or Assumption Parish so they're not going to have any of this big industry, except 15 houses or a little farm in Livingston Parish. And these people got to provide some kind of way, this is the main reason why I don't want to bring out that Vernon Parish and Allen Parish are going to have to be helped by Ascension and East Baton Rouge or some of the other parishes in order to survive totally. I would not like to see the state get out of the possibility of being able to give the money, some of this can be shared.

Mr. : ----Getting the state out of the property tax business is not going to have any effect on solving the problems you're talking about. They're just two completely different subjects.

Rayburn: Mr. Perez, would you define, over in section of part 5 the definition you defined local government subdivisions, as meaning any parish or municipality; political subdivision means any parish or municipality, any other unit of local government. Do all of these subdivisions or municipalities or special districts, would they have the same authority that is outlined under part 2 under Finance. You state that the governing authority of each parish may levy ad valorem taxes but then you define over on page 27, under your definition, you say local governmental subdivisions mean any parish or municipality. Political subdivisions mean parishes, municipalities or any other local unit of government. Does that mean that any of those political subdivisions would have the same power as outlined in part 2 under finance? Like the sewer district, drainage and garbage district and then you also had your governing authority of your parish who might be your police jury what each individual district have the power to levy the taxes?

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Perez: If you would locate section 35 we have the specific taxing powers of political subdivisions. But let me state first that we have the real problem of trying to work out and set forth the responsibilities of so many various agencies of government from parishes, to municipalities, to Orleans Parish taxing district. What we did was to group them generally when we were back on these terms. We use the term local governmental subdivisions as meaning parish or municipality. There are many cases unless we give parishes or municipalities certain authority we do not give political subdivisions, it includes these parishes and municipalities but then it also includes any other unit of local government such as sewerage district, water district and so forth. The only time that these definitions apply is when we use those specific words. So that when you say the governing authority of this parish, it has no relationship to the definition of either local government subdivision or political subdivision. It means the local governing authority of that parish.

Rayburn: Are there any other questions on finance? Do we have some others Mr. Norris?

Norris: On section 50 of Committee Proposal No. 17 it is provided that all deep-water port commissions and all deep-water port terminal districts as they are now organized and constituted including their powers and functions structure and organization in territorial jurisdiction are ratified and confirmed and shall continue to exist. In Revenue, Finance and Taxation's Committee Proposal 15 we have a provision which requires the funds from all state boards, agencies, and commissions to go directly into the state treasury. There was some concern yesterday as to whether there would be a conflict here.

Rayburn: I don't believe so, after everybody has a good night's rest they understand it.

Perez: That's something we in local government have to take the blame for. I personally have no problem with taking funds where the state puts the money up and the state can control it. The local people put the money up to operate out of I certainly hope that you folks would not propose to take local funds and put them up in the states issue to local control. I'm not sure what that means. We've got to take a closer look at what you fellas are trying to get and get you to modify your careers.

Mr. : I don't believe that was the intention to go as far as local political subdivisions. I think you're talking about state ports or ports that have state funds.

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Norris: That's correct, but the way this is worded presently some of the state funds are not even under budgetary control and have by the port commissions. Now the concern was that this Section 50 would conflict with our provision on the state funds. Particularly that part that says now organized and constituted, including powers and functions.

Perez: You can see the problem that we have gotten into. Everybody wants a short and brief easy to read constitution. You have the --- Lake Charles, Baton Rouge ports, Orleans Parish details and there was no way we could figure out how to give these people some protection without doing it by reference, and this of course has been done in other areas and this is a very, very difficult area. It's the best solution that we could come up with without actually getting into detailed structure, functions, and powers otherwise turn it over to the legislature. Our position was that they deserved a little bit more than that. Our question was here that in order to get past this section was it possible for you to agree to this amendment that would say, except that otherwise provided in this constitution? I think we will have serious objections to the possibility, to the restrictions if there are local funds involved.

Zervigon: I don't agree with everything my chairman has said today and I've a list here.

DeBlieux: I just want to make this observation by saying that we of course, shall continue as we now exist. You are in turn writing into this constitution by reference all those ports and it will take a constitutional amendment to change it.

Perez: No sir. No if you'll go back to line 18, you say, "except that the legislature may diminish, reduce, or withdraw from any such commission, including the Board of the Port Commission of the parish of Orleans any of its powers and functions that may affect its structure and organization," and so forth.

Roemer: The only thing about this particular issue, is that it is important as far as out committee is concerned because it involves a whole concept of what our article is all about. I mean it's not just a small issue to us. We would have to go back and redo the whole concept of financing and bonding for the state, because we have the one part and a queer situation where everything goes in and the first thing that comes off the top is debt service.

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Perez: Again, I haven't had the opportunity to look at your article, of course I'm speaking for myself.

Rayburn: Mr. Perez, would you show me where this only applies to municipalities or various locations and it don't interfere with everything the state has to do with. I mean I just hurriedly looked over this and if I understand it correctly the ports provision, if it is adopted as is. That they would remain as they are unless changed by a two-thirds vote of the legislature. I mean if I understand it right and I want to find out if I am correct. That any powers or functions that they now have; they shall retain unless changed by two-thirds vote of the legislature in the future, am I correct?

Perez: You're talking strictly about the deep-water ports? What were're saying is that these people are mostly based on the constitution, port of New Orleans, in Baton Rouge, and Lake Charles.

Rayburn: Which means there is a direct conflict with out language; some of us are going to have to change it.

Roemer: Yes, if we adopt a provision that Conroy recommended, it won't be a conflict with our language on bonding and state financing.

Rayburn: If there functions say now they can do what they want to with their revenue, then their functions will remain according to this language, their powers and functions.

Perez: So what we're doing is cementing in with the provisions of the legislature by taking certain votes away from them.

DeBlieux: Yes, but you're using, in this Section 8, only those things which the legislature can change and if in the power that you want to change is not included in that particular section you still go to constitutional amendments that you're going to have to deal with.

Perez: Well, if you will look what we have put in Section 50, we say in there, take it away with a vote of two-thirds of the legislature, including the powers and functions that affect

the structure, organization, distribution, and redistribution of the powers and functions. So what you're doing in the main part of 50 is that you give it to them with just what they have now and come back under (A) and say how you can take it away from them.

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Brown: Still you're limiting deep-water ports only. We're not talking about all ports of state, DeBlieux We're just talking about all deep-water port commissions. I noticed that you specifically mentioned the port of New Orleans in there.

DeBlieux: Now was there any particular reason why you specifically mentioned the port of New Orleans and not that of Lake Charles and Baton Rouge.

Perez: But we have real problems regarding the port of New Orleans because it was acknowledged by everyone, including those in New Orleans, that it was not fairly and properly structured at this time, and we got into a lot of discussion about trying to restructure. (tape change)

Rayburn: No, no, I'll tell you right now you don't have no agreement.

Perez: Sixty, if you'll look at the beginning of this line, "except as otherwise provided in this constitution, all deep-water ports," shall this, that, and the other. If you come up with a specific provision saying that money goes somewhere else...

Rayburn: Well, that's what I say, there is definitely a conflict the way the language is now in the second proposal.

Perez: I've already agreed to go to the committee and see if we can get that exception in there. So that we can fight the battle as to what ought to be done with those revenues in the two proposals.

Newton: Mr. Perez, I would like you to look at Section 40. In the last line "there shall be twenty percent of total value of all. Looking at line 29 "within the political subdivision valued assessment purposes, as aforesaid." Does that mean the assessed valuation or the total valued property within the taxing district? same thing as in line 19,20.

Kean: All it was intended to refer to was the language that starts about line 19 that says, "the total value of all property within said subdivision valued for assessment purposes; including property exempt as homesteads." We're simply trying to say that the base for the school districts has a general obligation and industrial bonds would be assessed.

Mr. : At total fair market value?

Rayburn: Valued for assessment purposes.

Roemer: It's confusing because you have the fair market value property, meaning that you have it assessed at certain percentages; that's assessment value. Now what's value for assessment purposes?

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Kean: We're talking about the assessed value. If you have fair market value of \$100,000 dollars and you put it on the assessment rolls at ten percent; then the 10,000 dollars would represent the value you would use for tax purposes.

Mr. : Wouldn't it be a lot easier to say "assessed value?" You see \$180 land is valued at xyz for assessment purposes. So when you say valued for assessment purposes it's \$180; not the small figure you're talking about.

Rayburn: Is the 20% figure the same as in the present constitution?

Newton: It makes a difference if it's valued for assessment purposes or at full value which would represent a six fold increase in the bonding authority. The total value of all property within such subdivision valued for assessment purposes. That's what we intended, the total assessed value of all property.

Lowe: That doesn't really solve it, Mr. Chairman.

Newton: I have another question, Mr. Chairman, in regard to Section 48. I got lost with the "which" at the end of line 14. What is "at which" related to. I couldn't make heads or tails out of the sentence quite frankly, which lost because I didn't know what we were referring to. It says for essential purposes, which including existin bonds shall not exceed. I guess it's referring back not having anything to do with purpose, does it?

Perez: It does have something to do with purpose. It's simply talking about 10% of the purposes. Therefore, you've got to take into consideration the outstanding bonds.

Lowe: Mr. Perez, I'd like to address myself to lines 19 and 20. I have a problem, let me tell you what my problem is. You're taking a percent of the fair market value, but yet in the wisdom this constitution comes up with a tax of different classes of property at different rates. You may be taxing land at 5%; you may be taxing homesteads at 10 and 15; and you may be taxing other property at 20%. So you have no uniformity of what ratio that total market value actually bears to the amount of taxes that is going to be produced. O.K. I see Chalin's problem. Let me give you an example. Suppose that in one area the biggest part of your ad valorem taxes come from industry. Then if you're taxing at 20% you're going to produce 4 times as much annuities in that particular area for about as much taxes in that particular area as you would in an area that was exclusively land. Now, if in that particular area where you produce 4 times as much taxes, you are limiting that particular area to 10% of fair market value and yet you have 4 times the amount of taxes to pay off those bonds.

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Newton: We talked to you about debt limitation on general obligation bonds. Mr. Kean made the statement, a ceiling is to make sure that that particular area does not go beyond what they can reasonably assess as the amount of ad valorem taxes that are produced. So why would you want to limit one area that has 4 times the ad valorem tax production to an area that would be exclusively land at 5%. When you're penalizing this particular area which should have a higher ceiling.

Ginn: You just can't take care of all these problems with the same provision. There are going to be differences whether, for example, you might have to increase debt limitation and ought to be able to issue bonds in the amount necessary simply because the parish or district has the lowest assessment to increase the district bonds; or you might want to decrease; as provided in subsection (C); that the legislature may increase the debt limitation by 2/3 vote of the legislature by general or local special law.

Rayburn: I think we might better take a second look at that change you just made where you said assessed property. Now if I recall right, I think we had some language in the constitutional amendment that I've proposed that when you say assessed property you're lowering your bond rates again because your homestead exemption is not on the assessment rolls. I think we need to word the value of property subject to assessment.

Ginn: Mr. Chairman, yesterday pointed this out; I suggested so not to exceed the aggregate of x% that portion of the total value of all the property within such subdivision which formed the base to which the proposed millage will be multiplied. That's awkward language but I field it to the research director.

Rayburn: I'd like to get that amendment because the language we have there was the language that had been approved by the bond people in New York, by Juol and them in New Orleans, by the major bond people of the nation, and that is their language; and I just wouldn't want to do anything might reduce our bond base. They said you could bond up to the assessment value. Not to the value available for assessment think you'll find some language like that which gives your property a bonding capacity on your homestead exemption value. We'll check that out later; we haven't got to the business of arguing that out yet.

Perez: Whatever we have in here was carefully gone over by a group of bonding attorneys that we asked to sit as a committee to go over all this and make the recommendations; and we have what we thought were some of the better bonding

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tax minds in the state, including some people from out of state. This is the wording that they have come up with. So with second thought we want very carefully to make changes, so we don't do something that would be harmful.

Roemer: Mr. Chairman, I appreciate what the gentleman is saying; but I think the reason we brought it up was for our understanding, not to criticize what you've done but so we can understand what you've done. I interpret that language to mean what now we come to the conclusion that it does mean, but it wasn't explained that way. You'd better make more of an explanation on the floor, you'd be able to explain it better.

Perez: We're taking these things scatter shot and we've got an awful lot of provisions in there and we've got to try to catch all of them right quick. I think it's probably alright as it is if you'll reread it a little more carefully.

Conroy: Within Section 40, one of the questions is Paragraph (C) referring to the 2/3 vote. Does that 2/3 vote debt

limitation apply only to local or special assessments or does it apply to both the general laws and special or local laws.

Perez: The legislature will increase the debt limitations to establish in this section so that would mean in the top section.

Conroy: But then it says by general law or by local or special law; then it says passed by a 2/3 vote. Does that pass by a 2/3 vote? The 2/3 was intended to apply to laws, general or special. It wasn't clear to me. It's still not clear to me.

Newton: Now as I understand it, you require a vote in the first sentence, and another provision requires no vote for refunding bonds. And we find that you have no provision whatsoever for refunding bonds. Do you have authorization to issue bonds; and then come along later and want to refund the bonds at a higher interest rate? The refunding bonds do not apply to local. It's a matter of general law that refunding bonds are not to be issued unless you counted the greater debt to the greater portion of the grounds on which the bonds are to be issued.

Newton: You say by general law, why would the general law be applicable that's my very point. When we rewrite those things and give local government greater authority, we remove some of those restrictions. Such as the ones you just mentioned.

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Perez: But this provision is identical with what's now in the present constitution.

Newton: But you referred to a second restriction that wouldn't be in our .....

Perez: The jurisprudence is now recognized, that in as far as refunding bonds are concerned, that if you get at higher cost than the ceiling of the district.

Newton: In our area we ran into the same problem. We specified exactly that refunding bonds could not be any higher than the rate of interest.

Newton: I know that a lot of us would feel a lot more comfortable if that is the jurisprudence and that your intention on special limitations is to be in certain fields.

Perez: I have no objections to that, that was what my understanding of it was. I suggest that you come up with the wording that you would like and we'll be sure and see if we can't get it in as a committee amendment.

Conroy: In Section 41 we have to deal with the time limitations with contested bonds. I don't quarrel with the desirability of it. My only question is whether you thought that it is necessary to put that in the constitution.

Perez: We talked to the bond people about this and we've taken the requirements that have been in the constitution with respect to bonding. They felt that the sections that ought to be retained in the constitution and there are provisions for contesting a bond issue with a majority vote at an election.

Kean: I would suggest that before we get to our proposal that our staff check with Local and Parochial and make sure that we didn't have a comparable provision for state bonding. We don't have them in our proposal and if that is their bonding attorneys' recommendations, I'd like to be sure of them when we get down to there.

Rayburn: It's the same ceiling where you're going to put a limitation on the right of the courts to realize that particular section with respect to bond issues, so it won't be unconstitutional.

Conroy: My only point was for clarification, we may need a comparable provision in ours if that will resolve the problem.

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Perez: Section 42 (C) deals with immunity for debtors and alternately providing in your next section; but there has to be levied an ad valorem tax, without limitations as to rate or amount which may have been destined to the other sources of revenue in place of payment or certificates. Now my concern about that last part is to what the limitations were and the conditions of indebtedness that were referred to in Paragraph C. As long as certificates of indebtedness are issued to cover the cost of public improvements especially special assessments, to finance local improvements. At the present time, in order to finance those improvements because you levy assessments and don't collect those assessments from them, you issue these certificates of indebtedness which are

covered by special assessment. The present constitution provides that the local governmental subdivisions can pledge the full faith and credit to those certificates. In order to pledge the full faith and credit you've got to take a reduction in interest for it. The problem with revenue provision is that although you can pledge full faith and credit,

there is no way by which you can carry out that obligation and cause someone to do so. And I thought that if you were going to continue this doubtful provision and provide for a way to carry out the obligation. And that's the reason for that provision.

Conroy: Let me go back to my first question. What limitation is there on the authority to issue certificates of indebtedness.

Perez: There's the limitation of the statutes that couldn't issue a certificate of indebtedness before and that the unpaid portion of the debt that was incurred for purposes of building and improvements.

Conroy: But that limitation isn't in the constitution and with regard to the special assessment you referred to--that had to be voted on by whom?

Perez: If nominated by the local governing authority, then they form a petition signed by a majority of the property owners.

Conroy: For purposes of a special improvement, such as a street, that parish, upon petition of those people, incurs debt, pledges the full faith and credit, and then effectively subjects all the property within the parish to an ad valorem tax without limitation as to rate or amount to pay off the certificates of indebtedness of that special assessment that was never submitted to the vote of the people within the parish.

Perez: While this may be necessary, this is highly unusual under present circumstances.

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Conroy: But it is used to impose an ad valorem tax on the people. Now I don't have any quarrel with you up to that point. But it is the mandatory imposition of an ad valorem tax on property throughout the parish that may not even be homesteads, that we're talking about here, that you're assessing generally for a special improvement that relates to the property in a given area. The property is improved by it and that's the only part that bothers me--is the inequities of it.

Rayburn: Does Paragraph D help you at all to read the limitations that you've been taking issue with. That's line 27, page 22, "Certificates of indebtedness may be issued at public cost insofar as improvements are established and local or special assessments are levied therefor, and may be further stipulated. You have to get your mind out of these certificates of indebtedness and only in the rarest event, is a tax imposed.

Conroy: The imposition of the tax is inconsistent with what we've said earlier about limitations on ad valorem tax. It's just open at one end.

Perez: We could go back to the revenue provision in the existing constitution, which is (B). But the fellows on our committee decided that if you're going to pledge the full faith and credit of the political subdivision to somebody's street, then there's got to be some provision by which you can carry out the obligation.

Newton: Mr. Chairman of the Committee on Local and Parochial, I think that Section 41(C), 42(C), is the multiplication ad infinitum. I really take exception to it. I think that if they are going to issue these things, the first problem is that they ought to use the general funds better than automatically increasing the taxes without the vote of the people.

Perez: I think that it would come out of the general funds that wouldn't help the situation. You just have to make provisions for it. We were just trying to provide a way to relieve this obligation.

Slay: Mr. Perez, in regard to what Mr. Conroy said, out of experience with attorneys, engineers, and architects. Are they going to consent to another mill because they know there is unlimited millage?

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Slay: And I feel that there should be a limit on the millage that you can stipulate. A 5 mills limit is already enough in Baton Rouge. But I do feel that there's got to be a limit on these bonding attorneys that come in and profit from what is supposed to be revenues and we won't have to pay for it. And they get their commissions to work it out with police jury or local governing body. They let those people---

Rayburn: We're talking about certificates of indebtedness, not general obligation bonds.

Mr. : Mr. Slay, do you think that the limitation placed here -- do you have to have a vote or petition of people involved?

Mr. : I just thought I'd pass this story along. The citizens of a particular district sign a petition or by a vote to close a drainage district. Are those people going to pay for this by themselves. Now, I didn't make up that one. The entire parish will be subject to taxation, ad valorem taxation, to make up the difference.

Perez: The funds could come from some other sources of funds for distribution of general obligation or the full faith credit if they didn't pledge the full faith and credit, why it doesn't come out. It comes out of special assessments.

Roemer: The mechanics of getting the project approved, it's just a vote of the police jury?

Mire: The distribution ---could it possibly conflict with getting out of the state ad valorem tax deal on this basis. That if you fund certificates of indebtedness. If your revenues increase, then you end up with not having enough revenue to pay it. Then the only way to pay it is by ad valorem taxation like the Sunshine Bridge.

Perez: You're talking about full faith and credit of political subdivisions. The certificates of indebtedness are found on line 31 on page 22.

Mr. : You could look at certificates of indebtedness on a revenue basis, couldn't you?

Champagne: I was just shaking my head and saying that I didn't like this section at all. I think we ought to delete it, because I really don't know.

DeBleieux: Mr. Kean, I found a little disparity between what I understand and what you said now, suppose you have a parish that a certain portion of it needs a water system, and in that particular section of the parish issuing a bond issue and certificate of indebtedness based upon anticipated revenues for that water system, and then they find out this revenue is less than they thought it was. Now you tell me that the

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parish governing body adds a parish ad valorem tax to make up the difference on those funds?

Perez: No. The only thing they've got situations in mind where you levied a local assessment on real property type of particular assessment for the street, sidewalks. You levy a local assessment on his private property represented by number of months he's been there. And that's what we're talking about. We're not talking about revenue financing where you finance a whole water system. We're not talking about revenue at all.

DeBleieux: Do you mean that's the only thing the ad valorem tax would do? It wouldn't apply to any other improvements?

Roemer: If you look on revenue, the next section of revenue producing property, Section 43. That would apply to such things as water districts.

Mr. : Can I ask you a question? This year the police jury improved the road along side my house on both sides and I think they have. But anyhow I got a bill saying that my share was \$750 and I can either pay it all or pay it out over a 10-year period. Now if that's done why would you need extra money because they've already established the cost of it and they've distributed that cost, but why wouldn't it be paid off that way?

Perez: The only reason why you would need to pledge the full and credit of political subdivision is; if first of all, you would get to better interest rate than with an ad valorem tax; secondly, you may have earned a privilege debtor; if you want to call it, or property debtor where you make types of improvements and the people can't pay but it is a matter of overall needs. Under those circumstances if you have an assessment of your private property, you use this as a means to satisfy community needs when under those circumstances it would not be possible to finance it any other way. The full faith and credit pledge enables you to sell them and build the improvements. In present constitution it's put in there for special purposes, the only flaw is that our committee was some what -----

Kean: I might say that this is analogous to a situation where the state pledges its full faith and credit in order to reduce the interest on the bond, which is what your committee is doing is for general obligations bond. This is just an attempt to reduce the interest rate by pledging the full faith and credit of the local government.

Rayburn: If I understand it right, what you're saying is, that if political subdivisions want to issue certificates of indebtedness other than ad valorem taxes they pledge their full faith and credit on that particular district where if you do have a deficit then you come back and make it up out of the ad valorem tax. By increasing it 2 or 3 or 4 mills whatever it

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takes.

Kean: East Baton Rouge Parish is an example where they needed improvements and made those improvements.

Roemer: Specifically the provision says that the legislature will provide. Does that mean by special election vote of the police jury? You do have protections in there.

Kean: Not only you've got to get the approval of the bond commission in order to be able to issue those bonds.

Roemer: All you're doing is the same thing that we did in '68 to get the state to give us a better insurance to put in the general fund.

Rayburn: Let me tell you this has a lot of merit and I'll tell you why I've sat on the bond commission, now you're talking about one or one and a half percent better rate if you've got the full faith and credit pledge. Sooner or later you're going to have it pledged anyway because you're not going out there and pave the street and not let anybody come see you dig it up. It's foolish sitting in this state for years and years and years and sold revenue bonds on state lands for dormitories and this and that and the other, and pledged the revenue bonds; and it cost us about a cent and a half more to sell those bonds than it did when we said the full faith and credit of the state was behind them. I led the fight to get that number because it was behind. You're not going to build a dormitory at Southeastern over there and let it go to funds. It's all state property, it's on college property, and once you build it; it's just like when you get a baby, you've got to rock it, and take care of it, and do the best you can with it. There ain't nobody going to blow it up, tear it down, or haul it away. It's the only way possible. It sounds good to say don't do this and don't do that, but you're not going to pave the streets of East Baton Rouge and Bogalusa and get your certificate of indebtedness and you don't let nobody tear the damn street up. You're just making a bird nest for bond people when you leave such garbage in there, in the language. You're going to pay for it anyway as long as you live with your wife, you're going to pick up her debts, you might as well do the best you can with it.

Perez: The general feeling of the local government committee was we were trying to find some areas in which local government could generate their own revenues. There are many areas of the state which already have authority either through the school boards or local government to impose up to 3 percent. All we were trying to do was to set upon vote of the people that in any particular area a tax could be imposed up to 3%. Now when you put all

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taxes together, you realize all the problems involved in determining who gets there first. The school board may come in and say they want to increase taxes, but the way these things generally work out is that a member of the legislature authorizes increase. We've got to get together and say look fellas government needs more money. Let's impose a one cent sales tax, we'll get half and local government will get half. We realize that the problems involved in this thing but we think it can probably work itself out just about as well as it would by having to go back to the legislature each time to get the authorization to impose the tax.

Nunez: Aren't you giving the local government authority to impose 6 percent, not 3 percent for local governing authority which the state now has 3; so automatically you're authorizing all parishes or all governing authorities in the state to go up to 6 percent.

Perez: The highest one in the state is now 6 percent, 3 percent state, and 3 percent local. All we're really doing is giving the same authority to other parishes to go up to a total of 3%. So if they decide to do it, all they have to do is go to the people.

Nunez: Why would you not like to leave it where it has to come from the legislature?

Perez: You just have one more step. We're trying to have some direct authority from the constitution directly to local government.

Champagne: Don't you think you have the right to amend? You start taxing at 3 percent. Everybody is going to hurry and run one through.

Perez: Well, we put that limitation on it. Then it says that you have to go to the legislature. We talked about the ad valorem tax and how we should amend it. Then the sales tax situation, we felt that there should be a limitation on it. So we took what was the present ceiling - as you have in New Orleans, for example. So the only reason you can vote taxes is to go to the legislature I believe, to get the authority and so forth. There is a total of 3% local tax.

Champagne: In the present constitution you don't have a ceiling? You don't have the authority?

Perez: No, we're trying to find some method by which you can give reference in the constitution to the local governing authority so that if they saw fit to impose local taxes.

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Roemer: Do you have a limit to the authority for ad valorem taxes, that's only true as far as alimony is concerned. But you don't have a millage limit.

Perez: You have one based 10%.

Roemer: You don't have a millage limit and big deal you know it.

Perez: I didn't understand your question.

Perez: If people in some other areas have a 3% tax, it will give the other parishes and municipalities a chance to get up to that 3%. Then let the legislature deal with it after that. See, it has created a real problem in the state as far as the state imposing additional sales taxes, because they have allowed say, 3% in certain areas. It has then put the state in the position where they feel the burden of reaching the saturation point, so we don't want to impose any more. The more they make it, the less chance that we'll accept it. Any more questions?

Schmitt: Can we ask him on any section?

Mr. : Yeah, on any section there might be a conflict with.

Schmitt: On Section 45, page 24, the one where if you are placing a building on the side of here, how are you going to establish what's the taxation going to be.

Perez: Again, what we're doing is taking the present provision of the constitution and just like when you have the provision on there for the alimony tax for the parishes and municipalities, so they will have to have some minimum amount of money with which to operate. You do the same thing with respect to levee districts. And the reason you have a special provision in there with regards to Orleans was to maintain the status quo, because some years ago over a period of time they took 2 1/2 mills away from Orleans and they gave it to some other agency in Orleans; and so we had to put a special provision in there otherwise we would have had an automatic increase of taxes in regards to Orleans.

You might have an automatic increase anyhow because if you include, if you put the new property tax plan applicable statewide, because in any one of these plans, 5 mills depends on what you are applying the 5 mills to. Increase your total base in that particular district, you might be increasing your amount of funds into the levee unheard of. It's premature at this point to put any millage in here in any section until we get finished. The proposal, I think is real extremely good, but you don't know what the final picture is going to be. The ad valorem tax problem should be settled then.

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I realize the problem involved, but we took the position first that we were not going to increase taxes by means of the new constitution. What we basically did was to provide for the same rate of taxation with the right to go to the people, increasing by vote of the people. We have got to have some automatic authority for imposition of certain taxes without the vote of the people, as we have the 4 mill 7 mill tax for parish and municipalities. We have the same thing unlimited on the 5 mill and it's the same thing that is in the present constitution.

What are you going to apply the 5 mill tax to?

Zervigon: Don't all the proposed public tax lands have a provision in them that say holds back the taxes. Read it again, it says not to exceed 5 mills. It's a ceiling. It's not a set limit.

It can be a roll forward in taxes as well as a roll backward. It could be the levee board who established it in any of these public lands. It is presently levied by any district or local government.

Perez: If I may, we didn't have this meeting this morning to go over this individually we had this meeting, I understand only where there might be a conflict between our proposal and their proposal, and I wish that the members would hold their line of questioning to what the meeting was called for because, you're going to have plenty of time to talk in the big hall.

Let's take the time to, because a roll back would not refer to millage rates established in the new constitution, it's fine to think that it already existed, but this doesn't apply to the new provision. He puts 50 mills in here and you say there's going to be a roll back, a roll back doesn't apply to that 50 mills.

Mr. Chairman, I have a question I had before that applied to the alimony tax. If and when you fellows come out with a required and assessed value, you at that time, take care to make an exception to what we would have here. Now, let's say, that because of the way we set it up, there's a reduction in the amount of assessed value, by 75%, it means this 5 mills might not apply anymore. It might be 10 mills. You might have to go back and re-change all your provisions after we get this to styling. And it would take 60 something votes or 80 something votes in order to go back and do it. Suppose they destroy the base and we had less money coming in after the finish of our proposal than we do right now. Seems like it is premature to do it, to set millage rates before we determine what the base is going to be, to apply the millage rate to. So I believe we should go through and decide which portions of your proposal we should skip over at the present, and leave it open and not closed by putting it on the table.

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Don't close the door til sometime in the future when we get to our proposal and we see how it is going to affect it, it might hurt. We're going to close this thing down.

Mr. Newton: Have you been in Plaquemines Parish lately. 10% of the market value and he won't know how to spend all he's going to get.

He's been assessing at 25%. 25% of what?

Champagne: I just want to get back to this alimony tax. Do you in this constitution, provide the same provision, that a community, who is taking care of their own roads would be able to get to 2 and up? I didn't see it, but it is in there, right? Okay.

It says that municipalities that have population in excess of 1,500 and above in the last census, shall provide and maintain a system of street paving that will not exceed 1/2 of the tax revenues in the budget.

Goldman: We've had this nice long discussion here and I think we've got everything pretty well in our minds now. Is there some provision in the procedure of this convention whereby you can put the horse before the cart instead of the cart before the horse either ask for a change of the rules or something and bring our stuff up first and then the parochial and local government and then we wouldn't have to go back and change.

I don't know, Mr. Goldman, you've only been here a few days, I've been here a few months, we ain't got much stuff yet. I been thinking for the last few months that we could get it ready, but so far we've only just brought up a tentative proposal yesterday that we had supposedly adopted 2 or 3 weeks and they've found all kinds of things in there they never heard about.

I think the district attorney wants to be heard from. Local and Parochial Government member.

Mr. Burson: I'll try not to get hysterical. The point that has been raised by Mr. Goldman is one that I have raised in committee. I'd like to get some thinking of the other members of the committee. It seems to me, to make sense, that at least the Revenue and Finance section of the Local and Parochial should be held back and not considered until after we've approved the topic of taxation.

Mr. Burson, you want to first know what local government has got to consider and how much power or authority they might have I guess. If we passed ya'lls, first it might influence some of the thinking of some of the committee, Mr. Burson.

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Burson: That's what I had said from the beginning. Let me suggest that we're a little bit down the road on that and we do have all the general provisions on local government and I'm sure will be spending a couple of weeks on that. In the meantime, maybe we can get together some more and talk about that, and come up with some kind of arrangement.

Perez: There's one other subject matter which is not in our present proposal and that is Art. IV, §12 of the present constitution which prohibits the loan pledge. We're going to come up with something on that.

Primarily the reason we need that for both local and state government is that the reason that we have so many of these detailed bond provisions in our present constitution is because of the provision in Art. IV, §12 which prohibits the pledge of state funds and so forth. We are going to come up with an article that makes exceptions for bonding and so forth, which we would also like to submit to you for your consideration.

Let me ask you this, under this proposal, if it is adopted, relative to taxation, increasing taxes or levying taxes, the people in the particular area will have to vote on each proposal. Is that correct. Will that prohibit the legislature, could they change that? Will the 2/3 vote let them change that and take that right away from the people. Under the present law, the local community can levy now a tax without a vote of the people if the legislature passes an act giving them the authority to do so. This has happened in several parishes in the state, it has been requested of me, I know in a few parishes. I'm just wondering what effect this would have on that. Does this definitely tie down that any increase in taxes in any political subdivision will have to be approved by the people? No, all it says is that if the parish or special district proposes a tax, it has to be a vote of the people. I don't know of any prohibition in there against the legislature giving any additional authority. For instance, on a sales tax situation, you have a specific provision that the legislature can authorize imposition of additional taxes.

Rayburn: The people still vote on a sales tax, don't they? Under the present constitution, the legislature now can pass a law that lets the parish police jury levy a 1 cent sales tax without the vote of the people because, Mr. Kean, we done that in East Baton Rouge.

Kean: Nothing in the present constitution deals with the sales tax at all.

Let's prevent that.

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Nunez: Section (B), referring to §8, says that sales taxes have been referred by a vote of the people. But don't go any further. Then you say the legislature shall by a 2/3 vote levy any additional taxes. But you don't say it shall be limited to a vote of the people.

Rayburn: Now I'm thinking about this I'm trying to get myself in pretty good shape. I've been requested to let my local police jury levy a sales tax without the vote of the people. I think that it should be submitted to the people. Under the present constitution that can be done by passing a bill through the legislature and giving them that authority. If this provision stays in this proposal then that cannot be done without the people agreeing.

Roemer: I generally agree with this proposal that calls for a written clause on every issue. If you go back to 41 (C) where ...

Rayburn: It's Section 42 (C).

\_\_\_\_\_ : Mr. Chairman, I so move that we adjourn since we don't have anything more to talk about.

Rayburn: No objections. It is so ordered.

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Delegate Fontenot - VERBATIM ON QUESTION AND ANSWER SESSION  
ON RICE IRRIGATION WELLS AND STORAGE BINS

Fontenot: What is the intent of this committee - to include these rice irrigation wells and these storage bins that are privately owned in the exemption list or is it not to include these in the exemption list? I want an interpretation of this from the committee.

Mire: From time to time, we do run into situations where we are not absolutely sure what the language in the constitution means on exemptions. What we do in fact, is get a definitive answer from the Attorney General. I don't care what kind of language you put in here somebody is going to interpret it a little different from somebody else, and in this case I think maybe that's what ought to be done.

Fontenot: I think the Attorney General, when he starts investigating to see what the intent was, he would come to this committee and the Constitutional Convention and ask and look into the background of when this was argued and ask what was the intent of the committee when they proposed these recommendations. As far as I am concerned, the intent is to exclude these and exempt these implements that pertain to a farmer. But I am just one member of the committee.

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Mire: I believe the intention is to exempt all farm implements and equipment, but the interpretation of whether this is in fact farm machinery, equipment or implement, this would have to have an interpretation from the legal department of the state.

Fontenot: I could propose that we include storage bins for soybeans and rice and I could also move that we amend and include rice irrigation wells, but I just thought that it would be dogmatically in this already. I was not going to propose it.

Winchester: What does that do when you exempt the individual farmer but charge the big man in business who has the

dryer, see  
to him?

Fontenot: These are just individual farmer.  
The individual farmer that owns his own  
drying unit, it's part of his farming operation.  
therefore I think these words should exempt him.

Mauberrret: I think on line 35 of this section "other implement includes storage bins and grain bins.

Roemer: Sure it does, used exclusively for agricultural purpose not for commercial.

Rayburn: That's what it says.











