

2018 Regular Session

HOUSE BILL NO. 478

BY REPRESENTATIVES BACALA AND DAVIS

FUNDS/FUNDING: Dedicates a portion of the state sales and use taxes on sales of motor vehicles for transportation projects based on a cost-benefit analysis

1 AN ACT
2 To amend and reenact R.S. 47:481 and R.S. 48:77, relative to the dedication of revenues to
3 transportation related matters; to change the dedication of certain taxes imposed on
4 motor vehicles; to provide for the creation of the Highway Capacity Fund as a
5 special treasury fund; to provide for deposits into the fund; to provide for the uses
6 of the fund; to provide for the determination of transportation projects to receive
7 funding out of the fund; to provide for an effective date; and to provide for related
8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:481 is hereby amended and reenacted to read as follows:

11 §481. Disposition of collections

12 Except as provided in R.S. 47:480, all fees and taxes provided for in this
13 Chapter, including the permit fees, shall be paid to the state treasurer on or before the
14 tenth day of each month following their collection and shall be credited to the
15 account of the Transportation Trust Fund, the State Highway Improvement Fund,
16 state highway fund No. 2, ~~and~~ the New Orleans Ferry Fund, and the Highway
17 Capacity Fund, as provided by law.

1 Section 2. R.S. 48:77 is hereby amended and reenacted to read as follows:

2 §77. Transportation Trust Fund; Highway Capacity Fund; dedication and uses of
3 certain monies for transportation purposes

4 A. Beginning Fiscal Year ~~2017-2018~~ 2020-2021 and each year thereafter,
5 from the avails of the taxes imposed by Chapters 2, 2-A, and 2-B of Subtitle II of
6 Title 47 of the Louisiana Revised Statutes of 1950 from the sale, use, lease or rental,
7 the distribution, the consumption, and the storage for use or consumption of motor
8 vehicles which are taxable pursuant to said Chapters 2, 2-A, and 2-B, and after
9 satisfying the requirements of Article VII, Section 9(B) of the Constitution of
10 Louisiana relative to the Bond Security and Redemption Fund, the treasurer shall
11 deposit the following percentages into the Highway Capacity Fund for use as
12 provided in Subsection B of this Section:

13 (1) For Fiscal Year 2020-2021, twenty percent of such avails.

14 (2) For Fiscal Year 2021-2022, forty percent of such avails.

15 (3) For Fiscal Year 2022-2023, sixty percent of such avails.

16 (4) For Fiscal Year 2023-2024, eighty percent of such avails.

17 (5) For Fiscal Year 2024-2025 and each fiscal year thereafter, all of such
18 avails.

19 B.(1) There is hereby created, as a special fund in the state treasury, the
20 Highway Capacity Fund. The monies in the Highway Capacity Fund shall be subject
21 to annual appropriation by the legislature. All unexpended and unencumbered
22 monies remaining in the fund at the end of any fiscal year shall remain in the fund.
23 The monies in the fund shall be invested by the treasurer in the same manner and all
24 interest earned shall remain to the credit of the fund.

25 (2) Monies in the Highway Capacity Fund shall be not be used for operating
26 costs of the Department of Transportation and Development.

27 (3) Monies in the fund shall be appropriated and expended as follows:

28 (a) Not less than twenty-five percent nor more than fifty percent shall be
29 dedicated to projects with a total cost of two hundred million dollars or more.

1 (b) Not less than twenty-five percent nor more than fifty percent shall be
2 dedicated to projects with a total cost of less than two hundred million dollars.

3 (c) Not less than twenty-five percent nor more than fifty percent shall be
4 dedicated to safety projects in accordance with the Department of Transportation and
5 Development's definitions of such projects.

6 (d) Not more than ten percent shall be dedicated to economic development
7 projects in accordance with the Department of Transportation and Development's
8 definitions of such projects.

9 (3) The selection of projects shall be based on a cost-benefit analysis that
10 shall be developed by the Department of Transportation and Development as
11 follows:

12 (a) By July 1, 2019, the department shall:

13 (i) Submit cost-benefit analysis guidelines and formulas to the Joint
14 Highway Priority Construction Committee for review and approval.

15 (ii) Submit a draft list of projects to the Joint Committee on Transportation,
16 Highways and Public Works that have been prioritized using the cost-benefit
17 guidelines and formulas for inclusion in the proposed highway priority program.

18 (b) By April 1, 2019, the department shall finalize the project priority list
19 based on guidelines and formulas approved by the Joint Committee on
20 Transportation, Highways, and Public Works.

21 (c) By July 1, 2020, the department shall begin letting projects on the
22 approved list.

23 (d) The department shall regularly review the cost-benefit analysis guidelines
24 and formulas and submit the guidelines and formulas for review and approval by the
25 Joint Committee on Transportation, Highways and Public Works every four years.

26 C. Beginning Fiscal Year 2018-2019 and each year thereafter, and after
27 satisfying the requirements of Article VII, Section 9(B) of the Constitution of
28 Louisiana relative to the Bond Security and Redemption Fund, the treasurer shall
29 deposit an amount equal to an increase in general fund revenues as certified by the

1 Revenue Estimating Conference as being attributable to the provisions of Acts 2015,
2 No. 257, but not in excess of one hundred million dollars per fiscal year, to the funds
3 to be dedicated for use as provided by Subsection ~~B~~ D of this Section.

4 ~~B~~ D. The monies dedicated pursuant to Subsection ~~A~~ C of this Section shall
5 be deposited to the funds specified for the following purposes:

6 (1) The first seventy million dollars of the total monies shall be deposited
7 into the Transportation Trust Fund to be used exclusively for state highway
8 pavement and bridge sustainability projects in accordance with the Department of
9 Transportation and Development definitions of such projects.

10 (2) After compliance with the provisions of Paragraph (1) of this Subsection,
11 ninety-three percent of the remaining monies shall be deposited into the
12 Transportation Trust Fund to be appropriated and expended as follows:

13 (a) Not less than thirty percent shall be dedicated to highway priority
14 program projects classified as capacity projects in accordance with the Department
15 of Transportation and Development definitions of such projects.

16 (b) Twenty-five percent shall be used exclusively for port construction and
17 development priority program projects as provided in Chapter 47 of Title 34 (R.S.
18 34:3451 through 3463).

19 (c) The remainder of the monies after compliance with Subparagraphs (2)(a)
20 and (b) of this Paragraph shall be used exclusively for highway priority projects.
21 Such projects shall be specifically for state highway pavement and bridge
22 sustainability in accordance with the Department of Transportation and Development
23 definitions of such projects.

24 ~~(3)(a)~~ After compliance with the provisions of Paragraph(1) of this
25 Subsection, seven percent of the remaining monies shall be deposited into the
26 Louisiana State Transportation Infrastructure Fund established in R.S. 48:86 ~~as~~
27 ~~provided in Acts 2015, No. 431~~. The monies deposited in the Louisiana State
28 Transportation Infrastructure Fund pursuant to this Subsection shall be used
29 exclusively for final design and construction and shall not be used for studies.

1 (b) ~~If the Act [Acts 2015, No. 431] which originated as House Bill No. 767~~
2 ~~of the 2015 Regular Session of the Legislature fails to pass and is not enacted into~~
3 ~~law, the monies allocated to this Paragraph shall be deposited into the Transportation~~
4 ~~Trust Fund and used exclusively for port construction and development priority~~
5 ~~program projects as provided in Subparagraph (2)(b) of this Subsection.~~

6 (4) None of the monies deposited into the Transportation Trust Fund or the
7 Highway Capacity Fund pursuant to this ~~Subsection~~ Section shall be appropriated
8 to the office of state police.

9 Section 2. This Act shall become effective on July 1, 2018; if vetoed by the governor
10 and subsequently approved by the legislature, this Act shall become effective on July 1,
11 2018, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 478 Engrossed 2018 Regular Session Bacala

Abstract: Dedicates, in increments beginning in FY 2020-2021, sales tax on motor vehicles into the Highway Capacity Fund for highway projects funded on a cost-benefit analysis.

Present law provides for the deposit of the amount of certain mineral revenues received by the state into the Transportation Trust Fund. Present law provides that the money shall come from the avails of the state sales and use tax on motor vehicles.

Proposed law retains the dedication of mineral revenues in present law but deletes reference to the avails of the state sales and use tax on motor vehicles.

Proposed law creates the Highway Capacity Fund as a special treasury fund and dedicates a portion of the avails of the state sales and use tax on motor vehicles to the Highway Capacity Fund as follows:

<u>Percent</u>	<u>Fiscal Year</u>
20%	2020-2021
40%	2021-2022
60%	2022-2023
80%	2023-2024
100%	2024-2025 and thereafter

Proposed law prohibits the monies in the Highway Capacity Fund from being used for operating costs of the Dept. of Transportation and Development (DOTD) or to be appropriated to state police and allocates monies in the fund on a cost-benefit basis for projects as follows:

<u>Percent range</u>	<u>Purpose</u>
25-50%	Projects with a total cost of \$200 million or more
25-50%	Projects with a total cost of less than \$200 million
25-50%	Safety projects
<=10%	Economic development projects

Proposed law requires DOTD to develop guidelines and formulas for the cost-benefit analysis for review and approval of the Joint Committee on Transportation, Highways, and Public Works, and provides for DOTD to begin letting projects on the approved list by July 1, 2020. Further requires DOTD to review the cost-benefit analysis guidelines and formulas for review and approval by the Joint Committee on Transportation, Highways, and Public Works every four years.

Effective July 1, 2018.

(Amends R.S. 47:481 and R.S. 48:77)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Change the oversight committee from the Joint Highway Priority Construction Committee to the Joint Committee on Transportation, Highways, and Public Works.
2. Change the dates for submission of guidelines and lists of recommended projects to the oversight committee.