

Second Extraordinary Session, 2008

SENATE BILL NO. 2

BY SENATORS DUPRE AND MICHOT

FUNDS/FUNDING. Dedicates certain revenues to the Transportation Trust Fund. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:481, to enact R.S. 48:77, and to repeal Part XI-A of Chapter
3 1 of Title 48 of the Louisiana Revised Statutes of 1950, comprised of R.S. 48:196,
4 relative to special funds; to provide for the dedication, disposition, distribution,
5 investment, and use of certain monies in the Transportation Trust Fund; to provide
6 for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

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

9 §481. Disposition of collections

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

15 Section 2. R.S. 48:77 is hereby enacted to read as follows:

16 **§77. Transportation Trust Fund; dedication and uses of monies**

17 **A. Whereas Article VII, Section 27(B) of the Constitution of Louisiana**

1 authorizes the legislature to dedicate as well as appropriate monies in the
2 Transportation Trust Fund, hereinafter referred to as the "fund," solely and
3 exclusively for costs associated with roads and bridges of the state and federal
4 highway systems, the Statewide Flood-Control Program, ports, airports, and
5 transit, among others, the legislature hereby declares its intent to dedicate such
6 monies to ensure that the funds are expended upon those constitutional
7 purposes which the legislature considers most important.

8 B.(1) Beginning July 1, 2008, and each year thereafter, monies in the
9 Transportation Trust Fund which are available to be appropriated for roads,
10 bridges, transit, airports, flood control, ports, and the Parish Transportation
11 Fund shall be dedicated and appropriated solely and exclusively for the specific
12 allocations enumerated in Article VII, Section 27(B) of the Constitution of
13 Louisiana, for costs for and associated with the design and construction of such
14 infrastructure, and to pay principal, interest, or premium, if any, and other
15 obligations incidental to the issuance, security, and payment of bonds or other
16 obligations related to such infrastructure costs, and as further provided herein.
17 For the purposes of this Section, costs for and associated with the design and
18 construction with such infrastructure shall not mean or include expenses for
19 retirement contributions, health care contributions, or other related benefits of
20 employees and retired employees of the Department of Transportation and
21 Development. A combined total amount of not less than fifty million dollars
22 payable from monies deposited into the State Highway Improvement Account
23 and the Priority Program Account within the Transportation Trust Fund shall
24 be annually dedicated and appropriated solely and exclusively to fund projects
25 on any highway which is part of the state highway system, but is ineligible for
26 federal highway funding assistance.

27 (2) Monies in the fund shall be available for appropriation, dedication,
28 or use by state police for traffic control purposes, but only in the event that all
29 other eligible costs as enumerated in Article VII, Section 27(B) of the

1 Constitution of Louisiana and the purposes provided in this Section have been
2 fully funded.

3 C. There is hereby created, as a special account in the Transportation
4 Trust Fund, the State Highway Improvement Account, hereinafter referred to
5 as the "improvement account." The source of monies in the improvement
6 account shall be registration and license fees and taxes on trucks and trailers
7 collected by the state pursuant to R.S. 47:462, and as provided in R.S. 47:481.
8 Beginning July 1, 2008, and each fiscal year thereafter, after compliance with
9 the requirements of Article VII, Section 9(B) of the Constitution of Louisiana,
10 and after making the allocation for state highway fund No. 2, the treasurer shall
11 deposit into the improvement account an amount equal to the residual of such
12 collections as provided in R.S. 47:481.

13 (1) The monies in the State Highway Improvement Account shall be
14 subject to an annual appropriation by the legislature and only be used as
15 provided in Paragraph (2) of this Subsection. The monies in the improvement
16 account shall be invested by the treasurer in the same manner as the monies in
17 the state general fund, and all interest earned shall be deposited and credited
18 to the improvement account. All unexpended and unencumbered monies
19 remaining in the improvement account at the end of the fiscal year shall remain
20 to the credit of the improvement account.

21 (2) Monies appropriated from the State Highway Improvement Account
22 shall be used exclusively by the Department of Transportation and Development
23 for funding projects for any highway which is part of the state highway system,
24 but is ineligible for federal highway funding assistance. Such projects shall
25 include but not be limited to design, preventive maintenance, rehabilitation,
26 restoration, and improvement of the state-maintained system of highways. In
27 addition, these funds may be used to complete all of the preconstruction
28 activities, such as planning, survey, design, engineering, right-of-way
29 acquisition, and utility relocations associated with such projects.

1 **D. Beginning July 1, 2008, and each fiscal year thereafter, the avails of**
2 **the tax imposed by Chapters 2, 2-A, and 2-B of Subtitle II of Title 47 of the**
3 **Louisiana Revised Statutes of 1950 from the sale at retail, the use, the lease or**
4 **rental, the distribution, the consumption, and the storage for use or**
5 **consumption of motor vehicles, as presently defined in and as provided by**
6 **Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950,**
7 **subject to the tax exemptions provided in Chapter 2 of Subtitle II of Title 47 of**
8 **the Louisiana Revised Statutes of 1950, shall be credited to the Bond Security**
9 **and Redemption Fund, and after a sufficient amount is allocated from that fund**
10 **to pay all the obligations secured by the full faith and credit of the state which**
11 **become due and payable within any fiscal year, the treasurer shall pay the**
12 **remainder of such monies into the Transportation Trust Fund to be credited as**
13 **follows:**

14 **(1) There is hereby created, as a special account in the Transportation**
15 **Trust Fund, the Priority Program Account. Eighty-six percent of the monies**
16 **paid into the Transportation Trust Fund as provided by this Subsection shall**
17 **be credited to the Priority Program Account, and not less than thirty percent**
18 **of such monies provided in this Paragraph shall be dedicated to capacity**
19 **projects. As used in this Paragraph, "capacity projects" means projects that**
20 **add additional travel lanes to existing highways, construct new four-lane**
21 **facilities, add new interchanges to existing highways, or add control-of-access**
22 **facilities to existing highways.**

23 **(a) Subject to an annual appropriation by the legislature, the monies in**
24 **the Priority Program Account shall be used exclusively for priority projects as**
25 **provided by R.S. 48:229.**

26 **(b) All unexpended and unencumbered monies in the Priority Program**
27 **Account at the end of the fiscal year shall remain in the Priority Program**
28 **Account. The monies in the Priority Program Account shall be invested by the**
29 **state treasurer in the same manner as monies in the state general fund, and**

1 interest earned on the investment of these monies shall be credited to the
2 Priority Program Account.

3 (2) There is hereby created, as a special account in the Transportation
4 Trust Fund, the Transportation Mobility Account. Seven percent of the monies
5 paid into the Transportation Trust Fund as provided by this Subsection shall
6 be credited to the Transportation Mobility Account.

7 (a) Subject to an annual appropriation by the legislature, the monies in
8 the Transportation Mobility Account shall be used exclusively for transfer to
9 the Transportation Mobility Fund and the purposes provided in R.S. 48:2111
10 et seq.

11 (b) All unexpended and unencumbered monies in the Transportation
12 Mobility Account at the end of the fiscal year shall remain in the
13 Transportation Mobility Account. The monies in the Transportation Mobility
14 Account shall be invested by the state treasurer in the same manner as monies
15 in the state general fund, and interest earned on the investment of these monies
16 shall be credited to the Transportation Mobility Account.

17 (3) There is hereby created, as a special account in the Transportation
18 Trust Fund, the Port Construction and Development Priority Program No. 2
19 Account. Seven percent of the monies paid into the Transportation Trust Fund
20 as provided by this Subsection shall be credited to the Port Construction and
21 Development Priority Program No. 2 Account.

22 (a) Subject to an annual appropriation by the legislature, the monies in
23 the Port Construction and Development Priority Program No. 2 Account shall
24 be used exclusively for port priority projects as provided in Chapter 47 of Title
25 34 (R.S. 34:3451 through 3463).

26 (b) All unexpended and unencumbered monies in the Port Construction
27 and Development Priority Program No. 2 Account at the end of the fiscal year
28 shall remain in the Port Construction and Development Priority Program No.
29 2 Account. The monies in the Port Construction and Development Priority

1 **Program No. 2 Account shall be invested by the state treasurer in the same**
 2 **manner as monies in the state general fund, and interest earned on the**
 3 **investment of these monies shall be credited to the Port Construction and**
 4 **Development Priority Program No. 2 Account.**

5 **(c) The monies deposited into the Port Construction and Development**
 6 **Priority Program No. 2 Account are intended to provide additional monies to**
 7 **fund projects in the Port Construction and Development Priority Program and**
 8 **shall be used solely to supplement existing funding of the Port Construction and**
 9 **Development Priority Program provided by the provisions of Article VII,**
 10 **Section 27 of the Constitution of Louisiana.**

11 **(d) Nothing in this Section is intended to interfere with or supplant the**
 12 **prioritization and ranking of projects in the Port Construction and**
 13 **Development Priority Program. Only projects eligible for funding in the Port**
 14 **Construction and Development Priority Program are eligible for funding from**
 15 **the Port Construction and Development Priority Program No. 2 Account.**

16 **E. The provisions of Subsection D of this Section shall be null, void, and**
 17 **of no effect on and after July 1, 2010.**

18 Section 3. Part XI-A of Chapter 1 of Title 48 of the Louisiana Revised Statutes of
 19 1950, comprised of R.S. 48:196, is hereby repealed in its entirety.

20 Section 4. This Act shall become effective upon signature by the governor or, if not
 21 signed by the governor, upon expiration of the time for bills to become law without signature
 22 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 23 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 24 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by J. W. Wiley.

DIGEST

Proposed law expresses legislative intent to ensure that the monies in the Transportation Trust Fund (TTF) are expended upon those constitutional purposes which the legislature considers most important. Provides that, beginning July 1, 2008, and each year thereafter, monies shall be spent for costs for and associated with the design and construction of such

infrastructure, and to pay debt service related to such infrastructure costs. Permits the use of fund monies for state police for traffic control, but only after fully funding all other constitutionally eligible purposes of the Transportation Trust Fund.

Proposed law provides that costs for and associated with the design and construction with such infrastructure shall not mean or include expenses for retirement contributions, health care contributions, or other related benefits of employees and retired employees of the Department of Transportation and Development

Proposed law specifies that at least \$50 million from the State Highway Improvement Account and the Priority Program Account within the TTF shall be annually dedicated and appropriated solely and exclusively to fund state highway projects ineligible for federal highway funding assistance.

Present law creates the State Highway Improvement Fund in the state treasury. Provides that the source of the monies shall be registration and license fees and taxes on trucks and trailers collected. Provides that, after making allocation for state highway fund No. 2, a percentage of the monies be deposited in the State Highway Improvement Fund as follows:

- (1) For FY 2007-2008, 25% of collections.
- (2) For FY 2008-2009, 50% of collections.
- (3) For FY 2009-2010, 75% of collection.
- (4) For FY 2010 and thereafter, 100% of collections.

Proposed law repeals present law. Creates a special account in the TTF, the State Highway Improvement Account. Provides that, beginning July 1, 2008, and each fiscal year thereafter, 100% of collection as described in present law be deposited into the account.

Present law provides that monies in the State Highway Improvement Fund shall be used exclusively by the Dept. of Transportation and Development (DOTD) for funding projects for any road that is part of the state highway system, but not part of the federal system.

Proposed law repeals present law but establishes similar requirements for the use of monies in the State Highway Improvement Account. Provides that monies shall be used for any highway that is part of the state highway system but ineligible for federal highway assistance.

Proposed law, beginning July 1, 2008, dedicates the proceeds from state sales tax for the sale at retail, the use, the lease or rental, the distribution, the consumption, and the storage for use or consumption of motor vehicles, to the Transportation Trust Fund. Provides that such proceeds shall be distributed as follows:

- (1) 86% to the Priority Program Account.
- (2) 7% to the Transportation Mobility Account.
- (3) 7% to the Port Construction and Development Priority Program No. 2 Account.

Proposed law establishes the Priority Program Account within the TTF. Provides that not less than 30% of the money dedicated to the account shall be dedicated to capacity projects. Defines "capacity projects" as projects that add travel lanes to existing highways, construct new four-lane facilities, add new interchanges to existing highways, or add control-of-access facilities to existing highways. Provides that monies in such account shall be used exclusively for priority projects as provided in the highway priority program submitted to the legislature under present law.

Proposed law establishes the Transportation Mobility Account within the TTF. Provides that monies in the account be used exclusively for transfer to the Transportation Mobility Fund and the purposes provided in present law (R.S. 48:2111 et seq.) for very large transportation projects across the state.

Proposed law establishes the Port Construction and Development Priority No. 2 Account within the TTF. Provides that monies in the account be used exclusively for port priority projects as provided in present law and shall supplement existing funding of the Port Construction and Development Priority Program under present constitution.

Proposed law provides that the dedication of the sales tax proceeds and accounts created under proposed law shall be null, void, and of no effect on and after July 1, 2010.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:481; adds R.S. 48:77; repeals R.S. 48:196)