

Regular Session, 2005

HOUSE BILL NO. 292

BY REPRESENTATIVES MONTGOMERY AND PIERRE

TAX/GASOLINE TAX: Levies an additional one cent tax on gasoline and motor fuels and on special fuels and dedicates the proceeds to I-49 North and South

1 AN ACT

2 To enact Part VI-A of Chapter 7 of Subtitle II of Title 47 of the Louisiana Revised Statutes  
3 of 1950, to be comprised of R.S. 47:820.25 through 820.27, relative to the Interstate  
4 49 Account; to impose an additional one cent tax on gasoline and motor fuels and  
5 special fuels; to provide for the levy, collection, and administration of the tax; to  
6 provide for the use of the proceeds therefrom; to establish the Interstate 49 Account  
7 within the Transportation Trust Fund and to provide for disbursements from the  
8 account; to provide for an effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Part VI-A of Chapter 7 of Subtitle II of Title 47 of the Louisiana Revised  
11 Statutes of 1950, comprised of R.S. 47:820.25 through 820.27, is hereby enacted to read as  
12 follows:

13 PART VI-A. INTERSTATE 49 ACCOUNT

14 §820.25. Imposition of tax

15 A. There is hereby levied a tax of one cent per gallon on all gasoline and  
16 motor fuels as presently taxed by the provisions of Part I of this Chapter and on  
17 special fuels as presently taxed by the provisions of Part V of this Chapter. The tax  
18 imposed herein shall be in addition to any other tax imposed on gasoline and motor  
19 fuels and special fuels.

1           B. The tax imposed herein shall be levied, collected, and administered in the  
2           same manner as provided in this Chapter for the taxes levied on gasoline and motor  
3           fuels and on special fuels. The secretary may promulgate rules and regulations as  
4           necessary for the administration of this Part.

5           §820.26. Distribution of proceeds; Interstate 49 Account

6           A.(1) In addition to the requirements of Article VII, Section 27 of the  
7           Constitution of Louisiana concerning the depositing, crediting, use, or pledging of  
8           the avails of the taxes levied on gasoline and motor fuels and on special fuels, the  
9           portion of the full amount of taxes collected pursuant to R.S. 47:820.25, which are  
10           "excess revenues" as that term is defined in Section 27, shall be credited to the  
11           Interstate 49 Account, hereafter the "account", which the treasurer is hereby directed  
12           to create within the Transportation Trust Fund in the state treasury. Monies in the  
13           account shall be used solely to fund the costs for and associated with the construction  
14           of Interstate 49 North from the city of Shreveport to the Louisiana/Arkansas border  
15           and Interstate 49 South from Interstate 10 in Lafayette to the Westbank Expressway  
16           in the city of New Orleans, through the Department of Transportation and  
17           Development.

18           (2) Unless there are insufficient monies in the Bond Security and  
19           Redemption Fund from all other sources to pay principal, interest, and premium, if  
20           any, on full faith and credit obligations, the treasurer is hereby directed to transfer  
21           that portion of the proceeds from the tax collected pursuant to R.S. 47:820.25 and  
22           pursuant to other provisions which levy a tax on gasoline and motor fuels and special  
23           fuels which has been deposited in the Bond Security and Redemption Fund as  
24           required by Article VII, Section 27(A) of the Constitution of Louisiana, as follows:

25           (a) In the case of the tax collected pursuant to R.S. 47:820.25, to the account.

26           (b) In the case of the tax collected pursuant to other provisions of law, as  
27           required by the provisions of Article VII, Section 27 of the Constitution of  
28           Louisiana.

1           (3) Monies in the account shall be invested as provided by law.

2           Unencumbered or unexpended balances at the end of each fiscal year shall remain  
3           to the credit of the account. Any amounts earned through investment of the monies  
4           in the account shall remain to the credit of the account and shall not revert to the  
5           state general fund. In addition to the provisions in Subsection C of this Section, the  
6           collections of the tax levied by R.S. 47:820.25 and the monies in the account may be  
7           pledged to and used for the payment of bonds, notes, or other obligations incurred  
8           or to support any pledge made by the State Bond Commission relative to bonds,  
9           notes, or other obligations issued or debt incurred by it as provided in Article VII,  
10          Section 27 of the Constitution of Louisiana, including obligations incident to the  
11          issuance, security, and payment in respect thereof, but only for the purposes and  
12          projects specified in Paragraph (A)(1) of this Section.

13           B.(1) Except as provided in Subsection C of this Section, the collections of  
14          the tax levied by R.S. 47:820.25 in the account shall be used, and the bonds, notes,  
15          or other obligations, if any, issued by the State Bond Commission pursuant to Article  
16          VII, Section 27, shall be issued, solely and exclusively for the costs for and  
17          associated with the projects listed in Paragraph (A)(1) of this Section. The proceeds  
18          of the tax and the bonds, if any, shall be allocated between the two projects in the  
19          percentage of two-fifths to Interstate 49 North and three-fifths to Interstate 49 South.

20           (2) Any other provisions of law notwithstanding, nothing in this Part shall  
21          in any way increase the existing mileage included in the state highway system.

22           C. Any monies allocated for one of the projects specified in Paragraph (A)(1)  
23          of this Section not needed for such project may be reallocated for the completion of  
24          the other project.

25          §820.27. Progress reports; duration of the tax

26           A. The Department of Transportation and Development shall submit a report  
27          to the House and Senate Committees on Transportation, Highways and Public  
28          Works, the House Committee on Ways and Means, and the Senate Committee on  
29          Revenue and Fiscal Affairs annually to inform the committees of the progress of the

1 projects enumerated in R.S. 47:820.26(A)(1). This report shall include information  
 2 on each project, including but not limited to the current construction phase, the  
 3 anticipated date of completion, the estimated cost, and any other information  
 4 requested by the committees.

5 B. Notwithstanding any other provision of law to the contrary, the tax  
 6 imposed by R.S. 47:820.25 shall cease at such time as all projects listed in R.S.  
 7 47:820.26(A)(1) are completed and all outstanding bonds or any refunding bonds  
 8 issued pursuant to the provisions of Chapter 14-A or 15 of Title 39 of the Louisiana  
 9 Revised Statutes of 1950 or other indebtedness issued for the projects enumerated  
 10 in this Part and payable from the proceeds of the tax levied by this Part have been  
 11 paid in full as to principal and interest, whichever is later. However, no bonds may  
 12 be issued which are secured by a pledge of the revenues generated by the tax levied  
 13 by R.S. 47:820.25 to provide funds for any project listed in R.S. 47:820.26(A)(1)  
 14 after January 1, 2015. Furthermore, no bonds may be issued for a term of more than  
 15 thirty years.

16 Section 2. The provisions of this Act shall take effect and become operative if and  
 17 when the proposed amendment of Article VII, Section 27 of the Constitution of Louisiana  
 18 contained in the Act which originated as House Bill No. \_\_\_\_ of this 2005 Regular Session  
 19 of the Legislature is adopted at the statewide election to be held on November 7, 2006, and  
 20 at the same time as such proposed amendment becomes effective.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

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Montgomery

HB No. 292

**Abstract:** Levies an additional 1¢ tax on gasoline and motor fuels and on special fuels and dedicates the proceeds to Interstate 49 North and Interstate 49 South.

Proposed law levies an additional 1¢ tax on the sale of gasoline and motor fuels and on special fuels. Proposed law provides that the additional 1¢ tax shall be levied, collected, and administered in the same manner as current taxes levied on gasoline and motor fuels and on special fuels.

Proposed law provides that the proceeds of the additional 1¢ gasoline tax are to be deposited into the Interstate 49 "Account", hereinafter the "account", within the Transportation Trust

Fund. Proposed law authorizes the treasurer to create the account. Proposed law provides that monies in the account shall be used solely to fund the costs associated with the construction of Interstate 49 North from the city of Shreveport to the Louisiana/Arkansas border and the construction of Interstate 49 South from Interstate 10 in Lafayette to the Westbank Expressway in the city of New Orleans, through the Dept. of Transportation and Development. Proposed law provides that the proceeds of the tax and bonds, if any, shall be allocated between the two projects in the percentages of 2/5 to Interstate 49 North and 3/5 to Interstate 49 South. Proposed law further provides that any monies allocated for one of the projects but not needed for such project may be reallocated for the completion of the other project.

Proposed law provides that monies in the account shall be invested as provided by law. Unencumbered or unexpended balances at the end of each fiscal year shall remain to the credit of the account.

Proposed law provides that the tax collections may be used for the payment of obligations incurred by the State Bond Commission relative to bonds, notes, or other obligations issued or debt incurred by it, including obligations incident to the issuance, security, and payment in respect thereof, as provided in Art. VII, §27 of the constitution, for the projects.

Proposed law provides that the Dept. of Transportation and Development shall submit an annual report to the House and Senate Committees on Transportation, Highways and Public Works, the House Committee on Ways and Means, and the Senate Committee on Revenue and Fiscal Affairs to inform the committees of the progress of the projects.

Proposed law provides that the tax shall cease at such time as the Interstate 49 North and the Interstate 49 South projects are completed and all outstanding bonds or any refunding bonds issued for the projects and payable from the tax are paid in full as to principal and interest, whichever is later. Proposed law provides that no bonds may be issued which are secured by a pledge of the tax after January 1, 2015. No bonds may be issued for a term of more than 30 years.

Effective and operative on January 1, 2007, if and when the proposed amendment to the constitution contained in HB \_\_\_\_ of the 2005 R.S. is adopted at the statewide election to be held on Nov. 7, 2006.

(Adds R.S. 47:820.25-820.27)