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The Times

Highlights of the 2007 legislative session

BATON ROUGE — While the 2007 legislative session only lasted eight weeks, its reach will extend for decades.

With historically high surpluses of nearly \$3 billion, the Louisiana Legislature invested heavily in highway construction, education, health care, economic development and targeted tax cuts and credits to stimulate the economy and help the state face its insurance crisis.

Lawmakers also regulated behavior, from banning school personnel from having sex with students under age 19 to providing a tax credit of up to \$25,000 for half the cost of solar and wind power equipment.

Following are highlights from the session:

Budgets

Executive Branch: The \$29.7 billion state budget goes into effect today — the state is on a July 1-June 30 fiscal year — and includes \$8.4 billion in hurricane recovery grants that must be accounted for in order for the state and local governments to spend the money. Back out that \$8.4 billion, and the state budget is up by about 3.3 per cent.

The governor can line-item veto any item.

Legislative Branch: The Legislature's operating budget is \$67 million. That includes \$28 million to run the 105-member House of Representatives, \$19.1 million for the 39-member Senate and \$8 million for the legislative auditor's office, which audits every public agency in the state.

Judicial Branch: The Legislature put up \$138.7 million to run the state's courts. That includes \$60.2 million for the Louisiana Supreme Court, \$40 million for the five appellate courts and \$29.4 million for district courts.

Surplus spending

How legislators spent the \$1.9 billion surplus in House Bill 765:

- \$450 million for roads and bridges.
- \$372 million for Road Home program, which, when coupled with \$627 billion reallocated by Louisiana Recovery Authority, means the state has put up \$1

billion to cover part of the \$4 billion to \$5 billion gap. That should encourage Congress to come up with the balance to cover the higher-than-expected average payouts to 142,000 applicants, 30,000 more than originally estimated by federal authorities.

- \$200 million for coastal restoration and hurricane protection.
- \$89 million for an economic development fund to attract large industry and businesses to Louisiana.
- \$60 million for interstate highway construction.
- \$60 million for I-49 north.
- \$50 million to help attract the Air Force's Cyber Command Center to Barksdale Air Force Base.
- \$9 million to rural health clinics.
- \$4.5 million to University of Louisiana-Monroe's pharmacy school for office renovations and construction of an animal research center.
- \$500,000 to Morehouse General, a financially ailing public hospital.
- \$160 million to health-care infrastructure construction.
- \$95.5 million into an economic development fund to attract megaprojects.
- \$25 million for technology purchases for public schools.
- \$5 million to the Second Harvest food bank.
- \$3.7 million for Feist-Weiller Cancer Center in Shreveport.

Education raises

The budget includes annual raises of a minimum \$2,400 for teachers, \$1,500 for state employees, \$1,000 for school support workers and the equivalent of 5 percent for college faculty. Because of even more money going to 52 parishes, those teachers will get even more, up to \$6,000 in low-paying poor parishes.

Other pay raises

- The governor's salary of \$95,000 a year, beginning with the term starting Jan. 14, would be raised to \$135,000, while other statewide elected officials go from \$85,000 to \$115,000.

- Parish clerks of court and tax assessors can get raises up to \$28,000 from local tax funds. They are on a sliding scale based on population. Assessors can get up to a 35 percent increase.
- Parish registrars of voters also get raises, but they vary because of a scale based on population. The lowest would be \$18,000.
- Judges would get annual pay raises through 2010, increasing by more than \$20,000 over that period. As their pay goes up, so does the pay to sheriffs because their compensation is tied to judges. After 2010, the piggybacking will end. Supreme Court justices will get 4.5 percent, appellate court judges 4.6 percent and district and city court judges 4.9 percent. Justices get more than \$125,000, appellate court judges \$119,000 and district judges \$113,000.
- Assistant district attorneys got raises of \$5,000 to \$40,000 a year from state funds. There will be another \$5,000 bump July 1, 2008.
- All state employees get \$1,500.
- State supplemental pay for local police and firefighters went from \$300 to \$425 a month.

Capital outlay

The capital outlay bill includes \$6.7 billion in spending on construction. It authorizes more than \$1 billion in highway construction and dozens of local projects, only about half of which can get started this year.

Coastal, hurricane protection

- The Legislature approved the Coastal Protection and Restoration Authority's outline for coastal restoration and hurricane protection. In the supplemental appropriations bill, \$147.3 million is included for coastal restoration and \$52.7 million for hurricane flood protection.
- The Windfall Highway, Infrastructure and Protection Fund would create a fund to finance highway, port, coastal restoration and hurricane protection projects. The money would come from 25 percent of state oil and gas revenue after the state's Rainy Day savings account is filled. Estimates are the fund would be about \$88 million for the fiscal year beginning July 1, 2008. The percentage increases to 50 percent of the excess revenues in 2009, or about \$155 million. Through 2015, 70 percent of the money will be dedicated to transportation and 30 percent for restoration.

Health care

- The Health Care Redesign Act, permitting a revamping of health-care delivery to the uninsured, including creating medical homes for primary care with public and private providers, to reduce emergency room use.
- Huey P. Long Hospital in Pineville was transferred to the management umbrella of LSU Health Science Center-Shreveport, which governs the public teaching hospitals in Shreveport and Monroe, creating a north Louisiana network.
- \$27 million for a 150- to 200-bed replacement hospital for Central Louisiana State in Pineville, the primary public mental hospital for much of the state.
- \$30 million to LSU as first-phase funding for an electronic medical records system accessible to physicians at all state public hospitals to ensure preservation of records in case of emergencies, like hurricane, and to enhance patient care.
- \$3.7 million to Feist-Weiller Cancer Research Center at LSUHSC-Shreveport.
- Legislators approved LSU's business plan for reconstruction of Charity Hospital of New Orleans.

Insurance

- The minimum amount of auto insurance would be raised from what is commonly called 10/20/10 coverage — \$10,000 for property damage, \$20,000 for injury or death of more than one person and \$10,000 per person — to \$25,000 for property damage, \$50,000 per accident and \$25,000 per individual injured or killed. Sen. Mike Michot, R-Lafayette, who sponsored the increase, said it's the first since compulsory insurance was adopted in 1983.
- Individuals will get a tax credit equal to 7 percent of their household insurance premiums to help soften the blow of higher post-hurricane costs. The credit goes into effect in 2008.
- A \$100 million fund was created to pay cash incentives to private insurance companies that agree to write new policies in Louisiana and take a portion of policies now covered by the state-chartered insurer of last resort, Louisiana Citizens Property Insurance. Louisiana Citizens Property is the third largest insurer in the state, after State Farm and All State.
- Another bill sets up a method by which a private insurance company could take over all of Louisiana Citizens Property, while additional legislation allows private insurers to acquire its policies in bundles of 500.
- Insurers cannot cancel a policy that has been in effect for three years. Lawmakers also banned cancellation of policies after two "acts of God."

- The Louisiana Insurance Rating Commission, a board of gubernatorial appointees and the state insurance commissioner, was abolished. Louisiana is the last state to have such a commission. Insurance companies could file for rate increases directly with the state Insurance Department.
- A consumer advocate position in the state Insurance Department is being established to handle consumer complaints.

Interstate 49 funding

- Interstate 49 from Shreveport to Arkansas, which has gone through all the necessary environmental studies and is designed and partially under construction, was appropriated \$87.5 million from various sources. That includes \$60 million in cash from the surplus spending bill, \$10 million from the authorized sale of bonds and \$7.5 million in cash transferred from the Unclaimed Property Fund.
- I-49 from Lafayette to New Orleans, which is still in the route selection stage, was appropriated \$17.5 million for the necessary studies, \$10 million from the authorized sale of new bonds and \$7.5 million transferred from the Unclaimed Property Fund.

Building code

Local governments would find it easier to enforce the state's new minimum standards building code by allowing architects and engineers to qualify as inspectors and giving local government funding for training.

Tax cuts

- Twenty percent of Louisiana tax filers — about 360,000 — will get a big break from the state by allowing them to take their itemized deductions from state income just like they do on their federal returns. This is a rollback of the so-called Stelly plan income tax increases and will put \$157.5 million into the pockets of one-fifth of taxpayers, mostly middle- and higher-income tax filers.
- Lower-income tax filers would share \$40 million through a 3.5 percent state bonus on their Earned Income Tax Credit. Some 509,000 of Louisiana's 1.8 million tax filers, or 29 percent, qualify for the credit, which pays them a refund plus a federal bonus to which this would be added.
- General Motors in Shreveport is the primary beneficiary of a \$1.3 million state sales tax break on the purchasing of equipment and machinery by auto manufacturers. The governor has signed the bill into law.

- Entergy Louisiana, SWEPCO and CLECO are the beneficiaries of a bill eliminating sales taxes on machinery and equipment purchased by utilities, at a cost of \$3.3 million in lost income to the state.
- Half of private and parochial school tuition up to \$5,000 will be deductible from 2008 to 2010 tax years.
- A school readiness tax for families, child-care providers and employers related to child-care services for children under age 5 was enacted.
- Wood products manufacturers will be exempt from paying sales taxes on electricity and natural gas.
- Large users of water are exempt from paying sales taxes on conservation equipment for use in the Sparta Groundwater Conservation Area, which covers much of north Louisiana.
- Business lost its bid to have sales tax lifted from utilities. Residential utilities are already sales-tax free.

Sales tax holidays

- The first Friday and Saturday in August, beginning this year, there will be no state sales taxes on items costing up to \$2,500. It's a back-to-school benefit, but as Sen. Max Malone, R-Shreveport, pointed out, you could go buy a \$2,400 TV at one store and go to another and buy a \$2,400 sound system and not pay the 4 percent state sales tax on either.
- The first Saturday and Sunday in May, beginning next year, there will be no state sales tax on hurricane preparedness items, such as portable lights, batteries, storm shutters and other specific items.

Tax credits

- A hurricane recovery tax credit will be given for investments in hurricane-damaged areas, with a threshold investment of \$500,000.
- The state's vastly successful movie tax credit program was tweaked to ensure the 40 percent credit for infrastructure is available only for production or post-production facilities, not for such things as adjacent hotels or condos. The 25 percent movie production tax credit was unchanged.
- Local governments could create cultural districts as a revitalization tool, with all one-of-a-kind sold in the district fee of sales taxes.

- The cap on owner-occupied historic preservation tax credit would be increased from \$1 million to \$10 million.
- A culinary arts tax credit was created to encourage investment in food production, processing and distribution centers, food science businesses and culinary arts education and training centers.
- A tax credit of up to 50 percent of the cost of purchasing any solar or wind power equipment for home use, to a ceiling of \$25,000, would be provided.
- Insurance companies making capital investments in industrial or economic development projects will be able to recoup a portion of the taxes on the premiums they collect in Louisiana.
- Employers who hire workers as part of an apprenticeship program are eligible for a tax credit of \$1 per hour for up to 1,000 hours for each employee.

Ethics

- Lawmakers killed the bill that would have required elected officials to disclose the sources, but not the amounts, of their personal income. This was the priority of LaEthics1, a group of 52 chambers of commerce and nonprofits.
- Taking aim at Ethics Administration Executive Director Gray Sexton, who has a private law practice, the Legislature voted to require the post be full time with no outside employment, beginning in 2008.
- Elected officials would have to undergo two hours of ethics training of conflict-of-interest laws and other ethics regulations at a cost of about \$450,000.

Economic development fund

The Legislature set aside some \$90 million to be used to help lure future large businesses by putting it in a economic development fund.

Constituional propositions

- Consigned jewelry would be exempt from property taxes.
- One proposition places state supplemental pay in the Constitution for full-time law enforcement and fire protection officers, mandating funding.
- All retirement benefit increases would have to have a funding source.
- An extension of the state supplemental pay to levee board police and others who patrol waterways.

Indigent defense

Louisiana's system of providing the poor with legal representation was completely revamped, including creating a statewide office with supervisory power over the 41 district indigent defenders' offices.

Cockfighting

Gambling on cockfighting will be illegal as soon as the governor signs the bill or on Aug. 15, whichever comes sooner. Louisiana will become the last state to ban cockfighting effective Aug. 15, 2008.

Abortion

- Lawmakers banned partial-birth abortions as a permissible procedure in the second trimester of pregnancy, duplicating the federal ban that was upheld in the U.S. Supreme Court's 5-4 decision in April.
- Women considering abortion must be given information about fetal pain and given the opportunity to view an ultrasound of the fetus before given the consent forms.

Nursing home medications

Nursing homes will be able to train people to distribute medicines at nursing homes, freeing nurses for other duties.

Inheritance, gift tax

There will be a repeal on the state's gift tax and an elimination of the state inheritance taxes.

Community/technical college financing

The Community and Technical College boards are authorized to enter into lease agreements as a means of financing \$150 million in construction, including \$10 million at Huey P. Long campus in Winnfield, \$14 million at Northwest Louisiana campus at Minden, \$8 million at Evangeline campus in St. Martin Parish, \$6 million at Gulf Area campus in Abbeville, \$4.5 million at Shelby Jackson campus at Ferriday.

School sex ban

Sex between anyone in authority at a public school and students under age 19 is outlawed.

Louisiana Tech research park

\$12 million in cash goes to buying the parcels or land, while \$13 million in borrowing was authorized to build the park designed to attract firms using Louisiana Tech's nano-engineering research.

Vantage health-care option

The Office of State Group Benefits is directed to reopen enrollment so state employees can opt for HMO coverage by Vantage Health, a Monroe-based company that employs 77. Some 6,000 state employees had coverage by Vantage, who were being dropped by the office.

Sabine/Desoto split

Voters in Sabine and DeSoto parishes will get the opportunity to vote Oct. 20 on splitting their judicial district in two.

Shreveport stink

Shreveport was given more teeth to clamp down on the odor emitted by Louisiana Proteins, a rendering plant.

North Market crossing

The state highway department was asked to install the "appropriate safety modification" in the 4600 block of North Market Street in Shreveport, where two children have been killed in the past 11 months.

(John Hill)