

# **Task Force on Structural Changes in Budget and Tax Policy**

## **Meeting Minutes**

October 26, 2016

### **I. Call to Order**

The meeting of the Task Force on Structural Changes in Budget and Tax Policy convened at 9:28 a.m. on Wednesday, October 26, 2016 in the House Committee Room 6 located in the basement of the Louisiana State Capitol Building, 900 North Third Street, Baton Rouge, LA 70802.

### **II. Roll Call**

a) The following Task Force Members were confirmed as present:

- Dr. James A. Richardson
- Kimberly L. Robinson
- V. Thomas Clark
- Jay Dardenne
- Steven Sheffrin
- James Alm
- Robert Travis Scott
- Barry Erwin
- Louis Reine

Alternates:

- John Gallagher for Mayor Randy Roach

b) Approval of Agenda:

The agenda was approved as distributed.

c) Approval of the meeting minutes:

The minutes were approved as distributed

### **III. Agenda Topics**

a) Local Commentary :

Information was provided by Nick Albares, Senior Policy Analyst with the Louisiana Budget Project, on tax policy items that LBP would like reviewed

for consideration as the Task Force prepares the final report. The following items were emphasized:

- 1) State income tax deductions for state taxes paid
- 2) Rebates for donations to school tuition organization and costs to other states
- 3) Budget Items discussed (unmet needs of state)
  - a) K-12 cuts
  - b) Funding for higher education
  - c) Lack of funding for housing
  - d) Early childhood funding

### **Richardson Motion: Tuition Donation Rebate Program Sunset**

The Task Force recommends that the 12/31/19 sunset recommendation on the Tuition Donation Rebate Program be changed to an annual review of the program by the House Appropriations, House Ways and Means, Senate Finance and Senate Revenue and Fiscal Affairs committees to determine its impact with reporting on the programs impact to the States Fisc by the Department of Education and the Department of Revenue and reporting of the impact on local school districts. A joint report will be provided to House Education and House Ways and Means and Senate Education and Senate Revenue and Fiscal Affairs committee.

- Second by: Mr. Clark
- Opposition: 2 members opposed
- Vote: 5-2
  - Dr. James A. Richardson            Yes
  - Kimberly L. Robinson            Abstained
  - V. Thomas Clark            Yes
  - Steven Sheffrin            No
  - James Alm            No
  - Robert Travis Scott            Yes
  - Barry Erwin            Yes
  - Jay Dardenne            Yes
  - Louis Reine            Absent during vote
- Final Action: Motion Adopted (5-2)

- b) Louisiana Government Reorganization Commission by Mayor Randy Roach

Members reviewed a handout provided by Mayor Roach outlining a process to create a special Task Force to make specific recommendations on any legislative matters. The proposal allows for the creation of two different types of task forces. After discussing various aspects of the proposal and implementation, the following motion was made:

**Dardenne Motion: Louisiana Government Reorganization Commission**

The Task Force does not recommend the establishment of a Louisiana Government Reorganization Commission but that in the final report will suggest to the legislature that the Louisiana Government Reorganization Commission is an option that the legislature should consider as alternative means for future reorganizational concept.

- Second by: Dr. Richardson
- Opposition: none
- Motion Passed

**c) UAL Discussion**

During a discussion the language included in the final report for the UAL the following topics were addressed:

- Greater cost for defined contribution plan
- UAL Employee contribution
- Possible effects of moving from a defined benefit to a defined contributions

**Sheffrin Motion: UAL Language**

The Task Force recommends that language be included in the final report to suggest that no action is taken that would create a new UAL.

- Second by: Dr. Alm
- Opposition: none
- Motion Passed

**d) Local Government Funding**

Members discussed language included in the draft on local government funding. The following topics were discussed:

- MFP
- Revenue Sharing

- Freeing up locals to raise more money
- Corresponding offset from state obligations
- Constitutional restrictions on property tax

**Dardenne Motion: Additional Language on Local Government Funding**

The Task Force recommends that the following language be added to end of responsibilities on page 11 of the draft to state the following:

“and potentially reduce the states obligations to funding local government.”

- Second by: Dr. Sheffrin
- Opposition: none
- Motion Passed

e) **Discussion LED Programs**

Members discussed options and decisions that have been made in regards to various LED programs. During a discussion of language included in the draft in reference to the ITEP, the following items were addressed in length.

- Consensus on limits
- Local authority
- Aligning with procedures of other states
- Competiveness
- Renewal periods and extensions
- Statutory framework

Following the discussion a motion was made:

**Reine Motion: Industrial Tax Exemption Language**

The Task Force recommends guaranteeing local participation in the constitution and recommending that there be statutory regulations including that the renewal period be limited to up to 80% and three years.

- Second by: Commissioner Dardenne
- Opposition: none
- Motion Passed

**Reine Motion:**

The Task Force recommends that the offsets to address the revenue loss should the impact on each local tax collecting body.

Second by: Robert Travis Scott

Opposition: none  
Motion Passed

**Dardenne Motion: November Ballot Amendment No. 3**

Commissioner Dardenne made a motion for the immediate release of a statement to the press by the Task Force co-chairs supporting constitutional amendment number three on the November 2016 ballot addressing federal income tax deductibility.

- Second: Mr. Clark
- Opposition: No opposition
- Motion Passed

**IV. New Business**

- a) Discussion of final draft
- b) Recommendations are intended to be used as a set and do not stand alone individually
- c) Short report release date: November 1, 2016
- d) Final meeting will be held to approve the extended report

**IV. Adjournment**

The meeting was adjourned at 12:46 p.m.

Minutes submitted by: Marisha Patterson