

AIA-LA 2013 Legislative Recap

The 2013 regular session of the Louisiana legislature officially adjourned the evening of June 6th after a couple months of political wrangling. At the end of the day *only* 433 of the 1,200-plus House and Senate Bills filed made it through the process and onto Governor Bobby Jindal's desk for his signature. As a reminder, this year's session was fiscal-only — meaning only legislation regarding tax issues could be considered (well, except for the limit of up to five non-fiscal bills each legislator could file).

In early 2013 Gov. Jindal announced his desire to promote legislation designed to eliminate the state's corporate and personal income taxes. His goal was to replace lost revenue with an increase in the state sales tax rate and an expansion of its application to include many professional services that are not currently taxed (including architectural services).

Wide-ranging public opposition to his tax proposal grew to a fever pitch in the weeks prior to session kicking off. As such, Gov. Jindal made a surprise announcement in his opening speech to the House and Senate when he declared he would "park" his ambitious proposal. He challenged the legislature to "send him a bill" that would reflect their intentions on how to make the tax swap possible.

As it turned out, repealing the state's income tax was not as pressing a concern for many legislators compared to addressing the state's FY 12/13 budget shortage as well as the upcoming fiscal year's (13/14) budget, which happened to contain a \$1.3 billion deficit.

The budget fight mostly centered on the governor's proposed usage of non-recurring revenue. A sizeable faction of House Republicans revolted against the governor over this issue. The House of Representatives became the leading force on budget matters and essentially overcame the demands of the Senate and the Governor. The House coalition of the Republican Fiscal Hawks, House Democratic Caucus and the Black Caucus maintained their position through the session to accomplish the development of a balanced budget without excess usage of one-time money.

It remains to be seen whether this unlikely bipartisan coalition will hold together over the next couple years. One sure-fire thing, however, is that the Fiscal/Democrat/Black/Hawk group rattled some serious cages and got the

attention of other political leaders and observers from all corners of the state.

As for the most problematic issue heading into session: the handful of bills designed to cause architects to assess sales taxes on services did not advance through the legislative process. Leadership from AIA-LA met on multiple occasions with key personnel from the Jindal administration as well as legislators to express concerns of the negative impact the proposals would have on architects. Ultimately, architects and other business professionals were successful in their negotiations with policymakers—no new taxes on businesses passed this year.

Other major issues to architects this session include:

- **Design-build** - As for the seemingly never-ending saga of bills filed each year to authorize various New Orleans public entities to use design-build contracts for post-Hurricane Katrina recovery...well, another bill passed again this year (after being killed by AIA-LA efforts on the House floor, it was later resuscitated and survived on life support). Once the measure made it to the Senate, AIA-LA gained considerable traction by working with Senate Transportation Committee Chairman Sen. Robert Adley, R-Benton, in stringently limiting the scope of **HB 559** by Rep. Jared Brossett, D-New Orleans. It is safe to say we will not see another bill of this nature pass in the next couple of years.
 - On behalf of AIA-LA and engineering allies, Sen. Adley filed a resolution (**SCR 102**) that establishes a task force to study and make recommendations relative to the authority for and use of the design-build method for contracts by public entities. AIA-LA is well represented on the task force.
- **Historic rehab tax credits** – A few bills were filed to extend the sunset of the income tax credit for the rehabilitation of historic commercial structures through Jan. 1, 2018. Ultimately, **HB 630** by Rep. Walt Leger, D-New Orleans, was amended and passed to accomplish the extension of the sunset date. AIA-LA supported this measure throughout the process.
- **Clarifying whether architects are public employees** – You may recall this issue surfacing in last year’s legislative session. Architects and engineers worked together in the interim to develop language that would satisfy concerns of our opponents. Despite authoring a bill on our behalf (**HB 264**) and working to get it reported favorably from the House and Governmental

Affairs Committee, Rep. Franklin Foil, R-Baton Rouge, decided not to proceed with the bill on the House floor due to strong opposition he received from a few so-called government watchdog groups. We appreciate Rep. Foil's help on this politically sensitive issue and will continue to look for opportunities to improve our position in the future.

- Role of architects in construction plans related to overhead power lines –**
 Rep. Stuart Bishop, R-Lafayette, filed **HB 487** on behalf of Associated General Contractors. This bill would have required all overhead power lines, their wattage, and owner to be illustrated or identified on plans for public works projects. The bill also provided that a contractor shall not be liable to any damage caused should this not be done unless that damage was caused by the gross negligence of the contractor. After meetings between AGC, AIA-LA, and other interested parties Rep. Bishop agreed not to move forward with his bill and instead filed a resolution (**HCR 148**), which formed an Overhead Power Line Identification Work Group to study issues dealing with construction projects and overhead power lines. AIA-LA is well represented on this working group.
- Many thanks to Steve Maher, Adam Haddox of Capitol Resources, LLC and other volunteers for their help and support during the session**

Following is a final list of the 85 bills AIA-LA tracked this session:

HB 73	Richard, Jerome(I)	Provides for a 10% reduction of all state professional, personal, and consulting service contracts.
Last Action:	5-30-13 S Voted to Involuntarily Defer in Committee Senate Finance	
HB 111	Hoffman, Frank(R) Heitmeier(D)	Prohibits outdoor smoking within 25 feet of certain exterior locations of state buildings.
Last Action:	6- 6-13 H House adopted the conference report (Vote: Y: 95/N: 2)	
HB 131	James, Ted(D) Broome(D)	Constitutional amendment to require legislation relative to tax rebates, tax incentives, and tax abatements to be introduced or considered only during sessions convening in odd-numbered years.
Last Action:	11- 4-14 G Effective (Act: 435)	
HB 139	Leopold, Chris(R)	Creates an exemption from sales and use tax for construction materials purchased by the Committee for Plaquemines Recovery.
Last Action:	5-29-13 S Referred to Senate Committee on Senate Revenue and Fiscal Affairs	
HB 156	Schexnayder, Clay(R) Amedee(R)	Provides relative to boards and commissions.
Last Action:	8- 1-13 G Effective (Act: 184)	
HB 178	Talbot, Kirk(R)	Repeals corporation income and franchise taxes.
Last Action:	4-16-13 H Not Heard in Committee House Ways and Means	
HB 181	LeBas, Bernard(D)	Allows public entities in Evangeline Parish to let a contract to other than the lowest bidder in certain circumstances.

HB 190	Last Action: 4-29-13 H Meeting set for 9:30 A.M., House Transportation Schexnayder, Provides relative to the Private Works Act. Clay(R) Johns(R)
HB 200	Last Action: 8- 1-13 G Effective (Act: 277) Anders, Provides relative to the licensing of landscape architects. Andy(D) Allain(R)
HB 240	Last Action: 8- 1-13 G Effective (Act: 103) Havard, Establishes the Privatization Review Act. Kenny(R)
HB 254	Last Action: 5-28-13 S Involuntarily Deferred Senate Finance Fannin, Jim(D) Makes changes to the oversight and adoption of updates to the state uniform construction code.
HB 256	Last Action: 3-26-13 H Referred to House Committee on House Commerce Williams, Constitutional Amendment to provide for the redemption period for blighted, abandoned, uninhabitable, or hazardous property sold at tax sale. Patrick(D) Johns(R)
HB 264	Last Action: 11- 4-14 G Effective (Act: 436) Foil, Excludes persons whose public service is limited to certain professional services from the provisions of the Code of Governmental Ethics. Franklin(R)
HB 268	Last Action: 5-15-13 H Returned to the calendar - subject to call Foil, Authorizes an income tax deduction for taxpayers who employ certain qualified disabled individuals. Franklin(R)
HB 285	Last Action: 5-13-13 H Voluntarily Deferred in Committee House Ways and Means Harris, Creates the Alexandria Urban Renewal Authority. Lance(R)
HB 362	Last Action: 4-18-13 H Not Heard in Committee House Municipal and Parochial Affairs Guillory, Provides relative to filing a statement of claim or privilege under the Private Works Act. Mickey(D)
HB 408	Last Action: 4-16-13 H Voluntarily Deferred in Committee House Civil Law Foil, Revises the business corporation laws. Franklin(R)
HB 411	Last Action: 5-28-13 S Recommitted Senate Finance Price, Ed(D) Requires the adoption of the latest version of Part IV-Energy Conservation of the International Residential Code.
HB 421	Last Action: 4-23-13 H Not Heard in Committee House Commerce Ponti, Erich(R) Adds a fee at license renewal for contractors dedicated to certain schools of construction management or construction technology. Martiny(R)
HB 428	Last Action: 8- 1-13 G Effective (Act: 195) Robideaux, Constitutional Amendment - Authorizes federal income taxes paid as a deductible item in computing state corporate income taxes. Joel(R)
HB 438	Last Action: 3-29-13 H Referred to House Committee on House Ways and Means Robideaux, Constitutional Amendment - Removes the prohibition of the state levying sales and use taxes on gasoline and certain motor fuels. Joel(R)
HB 439	Last Action: 3-29-13 H Referred to House Committee on House Ways and Means Robideaux, Constitutional Amendment - Authorizes federal income taxes paid as a deductible item in computing state individual income taxes. Joel(R)
HB 441	Last Action: 3-29-13 H Referred to House Committee on House Ways and Means Robideaux, Repeals corporate income and corporation franchise taxes. Joel(R)
HB 456	Last Action: 3-29-13 H Referred to House Committee on House Ways and Means Robideaux, Establishes the Louisiana Tax Delinquency Amnesty Act of 2013. Joel(R) Riser(R)
	Last Action: 6-21-13 G Effective (Act: 421)

HB 487	Bishop, Stuart(R)	Provides relative to plans for public works projects and above ground power lines.
Last Action:	4-12-13 H Committee Hearing Cancelled House Transportation	
HB 489	Cox, Kenny(D) Gallot(D)	Provides for the expansion of certain permit authority for areas designated as local historic landmark districts.
Last Action:	8- 1-13 G Effective (Act: 256)	
HB 518	Robideaux, Joel(R)	Repeals certain exemptions, deductions, and credits relative to corporate income and corporation franchise taxes.
Last Action:	3-29-13 H Referred to House Committee on House Ways and Means	
HB 519	Henry, Cameron(R)	Establishes the Privatization Review Act.
Last Action:	5-14-13 H Voluntarily Deferred in Committee House and Governmental Affairs	
HB 548	Willmott, Tom(R)	Provides for the regulation and inspection of elevators and other mechanisms.
Last Action:	4-23-13 H Voluntarily Deferred in Committee House Commerce	
HB 556	Bishop, Wesley(D)	Provides relative to contracts let by certain entities for capital projects in Orleans Parish.
Last Action:	5- 6-13 H Voluntarily Deferred in Committee House Transportation	
HB 559	Brossett, Jared(D) Murray(D)	Extends the length of time relative to the utilization of design-build contracts.
Last Action:	7- 1-13 G Effective (Act: 321)	
HB 571	Robideaux, Joel(R) Riser(R)	Provides relative to rebates and rebate programs in certain parishes for rural enterprise zones.
Last Action:	6-21-13 G Effective (Act: 423)	
HB 574	Robideaux, Joel(R)	Increases the state excise tax on certain tobacco products.
Last Action:	5- 8-13 H Voluntarily Deferred in Committee House Ways and Means	
HB 580	Greene, Hunter(R) Martiny(R)	Provides relative to the state uniform construction code.
Last Action:	1- 1-14 G Effective (Act: 390)	
HB 582	Simon, Scott(R) Guillory(R)	Provides relative to parking spaces for certain disabled persons.
Last Action:	8- 1-13 G Effective (Act: 164)	
HB 587	Robideaux, Joel(R)	Requires the termination of certain tax credits.
Last Action:	4- 9-13 H Committee Hearing Cancelled House Ways and Means	
HB 594	Jackson, Girod(D)	Allows the transfer of qualified parties from one licensed contractor to another.
Last Action:	3-29-13 H Referred to House Committee on House Commerce	
HB 599	Reynolds, Gene(D)	Provides relative to the tax credit for rehabilitation of historic commercial structures.
Last Action:	5-13-13 H Voluntarily Deferred in Committee House Ways and Means	
HB 610	Talbot, Kirk(R)	Provides relative to services subject to the state sales and use tax.
Last Action:	4-16-13 H Not Heard in Committee House Ways and Means	
HB 621	Abramson, Neil(D)	Provides for calling a limited constitutional convention for fiscal purposes and preparations therefor.
Last Action:	5-15-13 H Returned to the calendar - subject to call	
HB 630	Leger, Walt(D) Murray(D)	Provides for the transferability of the income tax credit for the rehabilitation of historic commercial structures.
Last Action:	6-13-13 G Effective (Act: 263)	
HB 639	Robideaux, Joel(R)	Repeals the state tax levied on the taxable income of individuals.

HB 653	Last Action:	3-29-13 H Referred to House Committee on House Ways and Means
		Robideaux, Changes the state sales and use tax rate and provides for the taxability of sale and services. Joel(R) Adley(R)
HB 656	Last Action:	7- 1-13 G Effective (Act: 425)
		Robideaux, Repeals deductions, exemptions, and credits for individual income tax. Joel(R)
HB 669	Last Action:	3-29-13 H Referred to House Committee on House Ways and Means
		Talbot, Kirk(R) Provides for a six-year phase out of the state tax levied on the net income of individuals beginning Jan. 1, 2015.
HB 673	Last Action:	4-16-13 H Not Heard in Committee House Ways and Means
		Adams, Provides relative to facilities maintenance and repair at public postsecondary education institutions. Bryan(R)
HB 680	Last Action:	5-14-13 H Voluntarily Deferred in Committee House Education
		Richard, Reduces the rates of corporate income tax and repeals the corporation franchise tax. Jerome(I)
HB 688	Last Action:	4-17-13 H Referred to House Committee on House Ways and Means
		Johnson, Provides a credit against income and corporation franchise tax liability to certain businesses which offer essential services during emergency situations. Robert(D)
HB 689	Last Action:	5-28-13 H Failed to pass (Vote: Y: 40/N: 45)
		Richard, Provides with respect to individual income tax rates, exemptions, credits, and deductions. Jerome(I)
HB 690	Last Action:	4-18-13 H Referred to House Committee on House Ways and Means
		Burrell, Roy(D) Provides with respect to the Urban Revitalization Tax Incentive Program.
HB 696	Last Action:	4-18-13 H Returned to the calendar - subject to call
		Montoucet, Reduces the amount of certain tax credits beginning January 1, 2014, for income tax credits and January 1, 2015, for corporate franchise credits. Jack(D)
HB 700	Last Action:	5-29-13 S Voluntarily Deferred in Committee Senate Revenue and Fiscal Affairs
		Leger, Walt(D) Provides relative to the state tax levied on corporations.
HB 701	Last Action:	4-18-13 H Referred to House Committee on House Ways and Means
		Leger, Walt(D) Reduces the state tax levied on the net income of individuals.
HB 702	Last Action:	4-18-13 H Referred to House Committee on House Ways and Means
		Leger, Walt(D) Provides definitions for and exclusions and exemptions from state sales and use tax.
HB 704	Last Action:	4-18-13 H Referred to House Committee on House Ways and Means
		Jackson, Limits the amount of the deduction allowed for federal income taxes paid for purposes of computing the state tax on the net income of individuals. Katrina(D)
HB 705	Last Action:	5- 8-13 H Voluntarily Deferred in Committee House Ways and Means
		Ponti, Erich(R) Provides relative to solar energy systems tax credit and removes wind energy systems tax credit. Adley(R)
HB 709	Last Action:	7- 1-13 G Effective (Act: 428)
		Hunter, Provides relative to exemptions for industry. Marcus(D)
HB 710	Last Action:	4-18-13 H Referred to House Committee on House Ways and Means
		Hunter, Phases-in a reduction in the amount of certain income tax credits over six years. Marcus(D)
HB 712	Last Action:	4-18-13 H Referred to House Committee on House Ways and Means
		Jackson, Requires the secretary of the Dept. of Revenue to uniformly reduce the amount of tax credits in a year of budget deficit. Katrina(D)
HB 714	Last Action:	5- 7-13 H Returned to the calendar - subject to call
		Stokes, Provides for the taxability of the sale, use, consumption, distribution, or storage of tangible personal property and the sale of services. Julie(R)
HB 715	Last Action:	4-18-13 H Referred to House Committee on House Ways and Means
		Stokes, Repeals the corporation franchise tax and provisions relative to determining "taxable capital" for purposes of levying the tax. Julie(R)
HB 716	Last Action:	4-18-13 H Referred to House Committee on House Ways and Means
		Richard, Decreases the state sales and use tax rate and repeals exclusions and exemptions

		Jerome(I)	from state sales and use tax.
	Last Action:	5- 7-13 H	Returned to the calendar - subject to call
HCR 148		Bishop, Stuart(R)	To create and form an Overhead Power Line Identification Work Group to study the issues surrounding overhead power lines and construction projects.
	Last Action:	6- 5-13 H	Enrolled
HR 134		Willmott, Tom(R)	Urges and requests the state fire marshal to study the regulation and inspection of elevators and other lifting devices.
	Last Action:	5-29-13 H	Enrolled
SB 8		Gallot(D) Pylant, Steve(R)	Authorizes sheriffs to use prisoners for manual labor upon churches and other religious buildings.
	Last Action:	5-29-13 G	Effective (Act: 52)
SB 47		Morrell(D) Brossett, Jared(D)	Provides relative to the Sewerage and Water Board of the city of New Orleans.
	Last Action:	0- 0-00 G	Effective (Act: 345)
SB 50		Erdey(R) Hodges, Valarie(R)	Establishes the Juban Crossing Economic Development District Fund as a special fund in the state treasury and provides for the disposition of certain sales tax proceeds within Livingston Parish.
	Last Action:	6-21-13 G	Vetoed
SB 51		Long(R) Williams, Patrick(D)	Provides relative to municipal and parish actions, liens, and proceedings for violations of public health, housing and certain other ordinances.
	Last Action:	6-12-13 G	Effective (Act: 223)
SB 65		Murray(D) Bishop, Wesley(D)	Exempts the New Orleans Aviation Board from certain restrictions on the use of construction managers or third-party consultants.
	Last Action:	8- 1-13 G	Effective (Act: 119)
SB 67		Peterson(D)	Creates the Louisiana Statewide Education Facilities Authority.
	Last Action:	5- 2-13 S	Not Heard in Committee Senate Education
SB 129		Smith(R) Burns, Tim(R)	Provides for an exception to the definition of "public employee" relative to the Code of Governmental Ethics.
	Last Action:	8- 1-13 G	Effective (Act: 411)
SB 137		Appel(R)	Provides relative to certain lien and escrow account procedures for certain construction contracts.
	Last Action:	5- 7-13 S	Voluntarily Deferred in Committee Senate Judiciary (A)
SB 148		LaFleur(D) Danahay, Mike(D)	Provides an exception to the Code of Governmental Ethics for person whose public service is limited to a contract providing professional services as a CPA.
	Last Action:	6-21-13 G	Effective (Act: 413)
SB 158		Morrell(D)	Provides relative to wind or solar tax credits.
	Last Action:	5-20-13 S	Voluntarily Deferred in Committee Senate Revenue and Fiscal Affairs
SB 197		Riser(R) Burford, Richie(R)	Extends income tax credits for the rehabilitation of certain owner-occupied residential structures and provides for applicability.
	Last Action:	6-13-13 G	Effective (Act: 272)
SB 208		Riser(R) Leger, Walt(D)	Extends the tax credit for the rehabilitation of historic structures and provides for the applicability of such credit.
	Last Action:	5-20-13 S	Voluntarily Deferred in Committee Senate Finance
SB 210		Murray(D) Brossett, Jared(D)	Authorizes a political subdivision to execute design-build contracts in the construction or repair of any public building or structure or other public work in an area where a gubernatorial declared state of emergency exists.
	Last Action:	6- 5-13 G	Effective (Act: 125)
SB 219		Donahue(R)	Prohibits expenditures to refund tax credits, pay rebates, or repurchase or grant transferable tax credits granted through incentive contracts unless budgeted and appropriated.

<u>SB 230</u>	Last Action:	5-13-13 S Voluntarily Deferred in Committee Senate Finance
		<u>Riser(R)</u> Creates the Tax Court to replace the Louisiana Board of Tax Appeals and expands its jurisdiction to local tax matters.
<u>SB 231</u>	Last Action:	3-29-13 S Referred to Senate Committee on Senate Revenue and Fiscal Affairs
		<u>Martiny(R)</u> Deletes the tax credit for wind energy systems and changes the credit for solar "energy" systems to a tax credit for both solar "electric" systems and solar "thermal" systems.
<u>SB 233</u>	Last Action:	5-20-13 S Voluntarily Deferred in Committee Senate Revenue and Fiscal Affairs
		<u>Riser(R)</u> Creates the Uniform Sales and Use Tax Commission.
<u>SB 236</u>	Last Action:	3-29-13 S Referred to Senate Committee on Senate Revenue and Fiscal Affairs
		<u>Dorsey-Colomb(D)</u> <u>Smith, Patricia(D)</u> Provides for legislation relative to the governing authority of East Baton Rouge Parish's public bid process.
<u>SB 255</u>	Last Action:	6-17-13 G Effective (Act: 364)
		<u>Claitor(R)</u> Limits the solar energy systems tax credit to one for each residence or for each dwelling unit in a residential rental apartment project.
<u>SCR 102</u>	Last Action:	5-30-13 H Returned to the calendar - subject to call
		<u>Adley(R)</u> <u>Ortego, Stephen(D)</u> Establishes a task force to study and make recommendations relative to the authority for and use of the design-build method for contracts by public entities.
<u>SR 15</u>	Last Action:	6- 4-13 H Enrolled
		<u>Heitmeier(D)</u> Requires prefiling by January 15 of any legislative instrument which produces a net decrease in taxes, fees, charges or other revenues received by the state of \$10 mil or more annually in any one of the 5 fiscal years.
	Last Action:	5- 8-13 S Voluntarily Deferred in Committee Senate and Governmental Affairs