

June 2011 - Legislative Update

The following information reflects bills that PAL is following during the session.

HB 1: The General Appropriations bill is being considered by the Senate Finance Committee, where all budget agencies must testify and justify their budgets. The bill will likely be reported to the Senate early next week. The last date for final passage is 6 pm June 20th. After that a 2/3 vote to suspend the rules is required for consideration. The session will end at 6 pm June 23rd, and the final 3 days are utilized for conference reports on bills, (when, as traditional stories go, many "snakes" hidden in conference reports on bills roam the halls of the capital). There continue to be substantial differences between the House, Senate and Governor Jindal's administration on the size and use of non-reoccurring revenue and the distribution of appropriations.

HB 2: The Capital Outlay bill was passed by the House and is scheduled for hearings in the Senate Revenue and Fiscal Affairs committee on Monday, June 13th. The bill continues to have a \$19.7 million appropriation for the Port Construction and Development Priority Program. As note above, the committee will have to report the bill to the Senate for final passage by 6 pm June 20th.

SB 159: This bill by Senator Appel extends the Port Investor Tax Credit sunset provision by 2 years to 2017 to compensate for the nearly 18 months delay in promulgating program rules and regulaions. The bill passed the Senate 35 to 0, and was reported favorably by the House Ways and Means Committee. It is scheduled for House floor debate on June 14th.

SB 257: This bill by Senator Crowe, which would remove the net revenue provisions (requiring at least \$5 tax revenue return to the state for each \$5 of tax credits for the import/export tax credits) and legislative oversight requirements for the ports infrastructure and import/export tax credits was considered by the Senate Revenue and Fiscal Affairs committee on May 28th but received strong opposition from the members. The Import/Export tax credits rules have not been written by La. Economic Development because it determined that the state would receive \$4.76 return for each \$5 of tax credit. Dr. Jim Richardson working for the Port of New Orleans found a \$5.20 return for each \$5 of tax credits. The bill was rescheduled by Senator Crowe for consideration on Monday, June 6th, with a possibility of offering amendments to satisfy the opposition. However Senator Crowe decided to again defer the bill, and instead, is relying on the ongoing efforts by the Port of New Orleans and PAL to convince the LED and Secretary Moret to accept Dr. Richardson's analysis.

HB 453: This bill by Rep. Walt Leger authorizes ports to use the Design Build process for "production related construction projects" passed the House 85 to 2 and was considered by the Senate Transportation Committee on June 9th. Rep. Leger was well versed in his presentation before the committee. Eric England, President of PAL, Don Brinkman of Port of Lake Charles, Matt Greshman of the Port of New Orleans, and Joe Accardo, PAL's Executive Director, testified. The bill was opposed by the La. Council of Engineers. The bill was supported by committee members, Senators Adley and Shaw, but was opposed by Chairman Joe McPherson, Senators Erdey, Heitmeier, and Mount. The bill was deferred by a 3 to 2 vote with Chairman McPherson not voting. The opposition from the engineers was centered on allegations that the bill was too broadly written, and was not needed by ports to compete. The opposing Senators continued to focus on their poor experiences with the DOTD design build highway projects, and the fear that there would not be sufficient supervision, as well as the opposition from engineers who argued that they would loose jobs to larger, out-of-state firms.