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SESSION **RECAP.**

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LABI's 2018 Regular Session Snapshot.



For nine weeks, the Louisiana Legislature met to debate non-fiscal matters in a regular session. Below are the major trends and takeaways from 2018 for each LABI Issue Council.

Civil Justice Reform

This session proved to be another stalemate for civil justice reform. Roughly a dozen bills were filed favorable to trial attorneys, including legislation to raise medical malpractice caps, extend prescription, expand direct action and allow contingency fees - all were killed in House committees and on the Senate floor. However, several civil justice reform bills failed in the Senate Judiciary A Committee. LABI's major push to bring common-sense reform that would allow juries to hear evidence on whether a plaintiff was wearing a seatbelt died in this Committee despite the members admitting to strong support for the bill from their constituents.

Employee Relations

Numerous bills were filed this session to impose new requirements on employers in Louisiana, which were effectively sidelined by LABI. The perennial bills to establish a state minimum wage or to permit local entities to set their own and to impose cumbersome equal pay requirements on businesses were once again in play. Several bills were filed to enhance union organizing through quotas or local government mandates. A number of workers compensation bills were also introduced that would have made the system more expensive for employers and their comp insurers. All of the aforementioned instruments were either defeated on the Senate floor or in the House Labor Committee.

Education

Louisiana taxpayers fared well in the education arena this session, as the governor's education package to minimize the percentage of student test scores in teacher evaluations; ease the rules to earn teacher tenure; and limit access to school vouchers were all deferred early. Education reform advocates also successfully defended against attacks on charter schools and accountability, strongly signaling that citizens have become invested in school choice and accountability for their tax dollars.

Even with numerous bills that proposed to amend TOPS, it came out unchanged from a programmatic standpoint but remains a political football in the ongoing budget discussions. The school financing formula, called the MFP, was adopted at the standstill budget of \$3.7 billion.

On a positive note, early childhood education is increasingly becoming more of a state priority. LABI supported legislation that passed that will establish a commission to examine governance and other issues that are important in providing affordable, available, quality child care options.

Energy and Environmental Quality

LABI and our partners fended off many costly mandates including air quality monitoring, extensive water testing and prohibitions on industry activities. The industry also had direct success passing various regulatory reform that if implemented will increase the productivity. But the big win in this arena this session was the passage of House Bill 727, which institutes penalties for damage to critical infrastructure. This necessary piece of legislation will stop the dangerous trespass and destruction by individuals with malicious intent to harm and damage critical infrastructure. Dangerous activity on these sites not only puts the trespassers at risk of physical harm, but it also places the lives of law-abiding citizens working at the site at risk.

Health Care

Throughout the session, there were numerous disagreements between health care stakeholders. A big win for many providers was a bill aimed at reforming the way the Louisiana State Board of Medical Examiners (LSBME) conducts business. LABI has heard over the years of the overreach of this particular board, and we have supported common-sense reforms in the past. Finally, a bill passed to

implement reform for the LSBME through having a consumer on the board and separating the investigative and executive authority.

For employers, the reinsurance bill to apply a fee to every health insurance policy in the state failed to pass in the Senate. Also, an expensive health insurance mandate was pushed several times during the session and ended up being killed in the House Appropriations Committee.

Health care will be a hot topic in the upcoming special session, after the governor vetoed the state budget that had fully funded major health care priorities.

Government Reform

Although the Legislature was presented with a host of smart policies aimed to reform how we do business as a state, lawmakers failed to advance responsible measures such as public pension reform, a state transparency website and efforts to begin proceedings for a constitutional convention. After a thorough debate in both Senate Retirement and Finance Committees, SB 14, brought by the main state retirement system, LASERS, to set up a mandatory new hybrid retirement plan for rank-and-file state workers hired in 2020 and beyond, was stalled in the Senate. The new plan included both a defined benefit component with a secure base benefit for employees – that acts like Social Security – and a defined contribution piece to add a level of portability for workers. The employer contribution rates would be roughly the same as they are currently; however, liabilities will be significantly reduced. If this measure would have passed, the actuaries estimate the Unfunded Accrued Liability (UAL) would be \$100 million less in 2023, than it would be under the current plan.

Pension reform was not the only disappointment in the upper chamber as the Senate Finance Committee took no action on an instrument that would create LouisianaCheckbook.com to improve transparency in state spending. This is the second consecutive session where this bill has stalled in this Committee. LABI still believes the best way for government to win back the trust of the people is to shine a light on how they spend the people's money.

In the House, after a lengthy discussion and three failed amendments, a measure that called for a properly designed constitutional convention failed to pass by a vote of 52-47 on the House floor. The bill needed 70 votes to pass, and reasons given for not taking this bold step to transform this antiquated model was it we just too risky.

Small Business

Small business owners fared well in the most recent regular session. The perennial round of expensive mandates like increases to the minimum wage was roundly killed in the House Labor Committee. The Committee also killed other mandates like expanding the reasons that employers can be sued.

Several LABI-supported bills made their way through the process. Two occupational licensing reform bills passed that begin the process of studying licenses and their impact on individuals trying to earn a

living. The biggest win for small business in the session was a bill that begins the process of regulatory reform. LABI strongly supported this bill believing it brings much-needed transparency to the regulatory process that overly burdens small business owners.

Taxation and Finance

As the regular session was non-fiscal in nature, there were few tax bills. For the first time in recent history, numerous statutory dedications were repealed in SB 400 by Sen. Sharon Hewitt (R-Slidell) based on the recommendations of a task force that met in 2017.

LABI also supported legislation to create a new incentive for local job creation called a stipulated tax payment (STP), which would have allowed local governments and businesses to negotiate a lower property tax amount the business would pay. Regrettably, that legislation did not clear the Revenue and Fiscal Affairs Committee. Additionally, two bills were filed that would have permitted the filing of tax raising bills during general, non-fiscal sessions. LABI successfully opposed both bills and they did not clear the floor of their house of origin.

Technology

An attempt was made this session to develop a new state regulation for internet privacy procedures that would have caused inadvertent consequences for both internet service providers (ISPs) as well as taxpayers. Current federal laws already require all actors in the communications space to guard personal information enforced by the Federal Trade Commission (FTC) and state attorneys general. The cost and consequences of this new burdensome regulation would make it more challenging for ISPs to maintain and expand their services and invest in innovation. The instrument was stalled in the House Commerce Committee.

Trade, Transportation and Tourism

After overcoming opposition in the House Transportation Committee and being overwhelmingly approved by the House floor by a vote of 97-1, HB 749, which would have established a single set of rules for ridesharing companies across the state, failed in Senate Judiciary A Committee. This is the second straight year that this type of legislation has failed to make it out of the Senate Judiciary A Committee.

On the last day of the session, in a last-ditch effort to pass this common-sense legislation, the House adopted amendments to include a statewide framework for TNCs, such as Uber and Lyft, onto SB 332 a transportation transparency bill by Senate Transportation Chairman Page Cortez (R-Lafayette). It was a strong effort, but the Senate rejected the amendments citing the lack of relevance to the original bill.

This session lawmakers approved SB 59, a constitutional amendment to go to the vote of the people on the ballot this fall, to determine whether to remove the authority to appropriate or dedicate monies in the Transportation Trust Fund to state police for traffic control function. LABI has always supported efforts to eliminate this diversion of funding from the original intent of the fund.

As the Legislature moves into the second special session of 2018, we wanted to provide you a brief snapshot of the regular session. As shown in this video mashup below and detailed further above, most of the legislation important to the business community stalled this session - calling a constitutional convention, removing the seat belt gag rule, expanding ridesharing, and deregulating occupational licensing to name a few. Watch by clicking below:

2018 Regular Session Mashup Video



Last week the governor issued a call for a second special session that has just convened that will again focus on tax and fiscal policy.

Throughout this special session, LABI will advocate for comprehensive fiscal reform that takes the economy into account, ensuring that businesses can operate successfully in our state to fuel employment and growth.