

Battle lines drawn

Legislative session opens amid disputes over budget, taxes, TOPS

By John Guidroz

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While balancing the budget and tax reform are two of the biggest measures state lawmakers will face as the legislative session begins today, Southwest Louisiana lawmakers will also be dealing with funding the TOPS program, curbing human trafficking and fixing the state's overpopulated prison system.

The fiscal session begins at noon today and has to end no later than 6 p.m. on June 8.

Gov. John Bel Edwards has proposed a plan that would tax gross receipts for businesses, requiring them to pay an annual flat rate between \$250 and \$750. It would apply to businesses making less than \$1.5 million per year. Those at and above that level would pay a commercial activities tax of 0.35 percent on their gross receipts.

Edwards' plan is an attempt to close a \$440 million budget hole for the fiscal year that begins July 1. It's something Rep. Mike Danahay, D-Sulphur, said will be a hard sell to get a majority of lawmakers to go along with it.

"The gross receipts tax will have an uphill climb," he said.

When it comes to Republicans and Democrats and their views on budget and tax reform, Danahay said the two parties could not be more divided.

"The battle lines have been drawn," he said. "I don't know where it's going."

Sen. Dan "Blade" Morrish, R-Jennings, said the Legislature will likely balance the budget mostly through cuts. The bigger concern, he said, is what will happen when the temporary 1-cent sales tax hike ends in July 2018. The Louisiana House Fiscal Office said the state would face a \$1.5 billion budget deficit if lawmakers don't take action on the issue.

Morrish and Danahay said they aren't optimistic on whether lawmakers on both sides of the aisle would agree on tax reform measures.

"What I don't see is any type of reform," Morrish said.

Sen. Ronnie Johns, R-Sulphur, said he wants lawmakers “to end this uncertainty we have in our budgeting process.”

“I hope we could get on a stable path with a stable budget and fund higher education and get back to fully funding TOPS,” he said.

Despite a recent study done by the Task Force on Structural Changes in Budget and Tax Policy, Morrish said lawmakers “don’t want to pay attention and take ownership” of what the report recommends. He said lawmakers who are term-limited should put their political biases aside and make the tough decisions to improve Louisiana’s budget.

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“Here’s your opportunity to leave a legacy,” he said. “Fix it. It’s about economics. Spread the tax burden among everybody.”

Education

As chairman of the Senate Education Committee, Morrish said his primary focus will likely rest on finding enough funding for the TOPS program. Two bills on the House side call for raising the minimum grade point average to earn TOPS from 2.5 to 3.0. So far, lawmakers have filed more than a dozen bills dealing with the scholarship program.

“That’s going to take a lot of my time,” Morrish said.

Morrish said he supports the cap placed on TOPS, but that the program will likely be funded at about \$200 million, not the \$350 million cap.

“I do not believe the taxpayers of Louisiana can afford that anymore,” he said. “I’m not sure we ever could afford that.”

Morrish said he “doesn’t have a problem” with legislation that would attempt to raise the grade point average for TOPS eligibility. But he said approving those measures won’t save money for the state.

“If you raise the bar, I think (students) are going to meet the bar,” Morrish said.

Human trafficking

Johns said he will push a revamped bill (Senate Bill 144) that would

require dancers at strip clubs to be at least 21 years old. U.S. District Judge Carl Barbier ruled in March to prevent the enforcement of legislation Johns filed last year that lawmakers approved.

Three women, ages 18, 19 and 20, sued in September on the grounds the law would make it difficult to earn a living and violate their First Amendment rights.

Johns said Barbier's issue with the legislation had less to do with the age change, and more to do with vagueness in the language. He said he has worked with an outside legal counsel to write specific language that clarifies what constitutes performing in a strip club and which body parts can be exposed for people working who are ages 18 to 20.

Johns said the legislation approved last year would be void if the new bill is approved.

Johns also has other legislation intended to crack down on human trafficking. One (SB

42) would create the Louisiana Human Trafficking Prevention Commission and Advisory Board.

Another (SB 41) would put a provision in place to deal with seizing any cash following a raid on human traffickers. The money would be placed in a Special Asset Forfeiture Fund and later distributed to the arresting law enforcement agency, the criminal court fund and to the district attorney's office handling the forfeiture.

Criminal justice

Johns said legislation that calls for reforming the state's criminal justice system is sure to generate plenty of debate. Officials with the group Louisianians for Prison Alternatives recently discussed a legislative package that will offer up alternatives to reduce the state's prison population, including implementing a felony class system and expanding alternatives for incarceration.

As of 2015, Louisiana had more than 36,000 inmates, making it the highest per capita incarceration rate in the world.

Other measures

Rep. Mark Abraham, RLake Charles, has legislation (House Bill 144) that would create the Louisiana Jobs Now Fund. The fund would help colleges and universities pay for degree programs in science,

technology, engineering and math.

Under the legislation, the state treasurer would transfer \$34 million annually from the state general fund into the jobs fund.

Danahay has filed a measure (HB 90) that would allow public servants to receive anything of economic value as a contribution or donation up to a total of \$25,000 from notfor-profit organizations within a five-year period to use for disaster relief and offset any economic losses suffered during a declared emergency.

After the August flooding that impacted Southeast Louisiana, Danahay said there were multiple incidents where there was nothing in place to help out public servants.

“It’s going to solve a problem that we’ve had since then,” he said.