SCORECARD
WHERE WE STOOD - HOW THEY VOTED

2016 Legislative Voting Guide
LABI.org/Legislature-info/Score-card
The unfortunate truth is that 2016 has been a challenging year for Louisiana. The year started with devastating flooding in North Louisiana. In August, the southern portion of the state experienced a historic flooding event that will leave an indelible mark for years to come. Earlier this summer, violence and discord in Baton Rouge left us searching for answers on how we can bridge complicated divides and better respect our fellow man.

The spring saw months of debate in a divided Legislature that was contentious and frustrating for officials and stakeholders alike. All the while, a dispirited populace watched and hoped for a sensible solution and a clear path forward. The entire process began to feel like just the latest version of something we have seen far too many times before.

In recent decades, Louisiana’s government has found itself mired in perennial deficits unless temporarily “saved” by an infusion of tax increases, enhanced revenues from a storm-induced false economy or budgetary gimmicks. This cycle has hindered economic growth, led to unstable budgeting for governments, businesses, and families across the state and convinced far too many that these broken budget practices are simply unavoidable.

These discouraging budget battles are very much avoidable, but they will remain firmly entrenched until we collectively embrace an entirely new way of thinking, budgeting and governing. The Louisiana tradition of an oversized central state government with numerous programs, services and subsidies has become too expensive and ineffective at solving our challenges. The cost goes up each year while major priorities like education, infrastructure, and healthcare perennially fight for resources. Our populist past continues to cast a long shadow on all that we do, though deep down we know that the past is no longer economically viable.

A simple tax code that is fair to all must replace what we have today and fund a government that is more limited in scope but more effective in application. The excessive budget dedications, unsustainable government programs and bureaucratic overlap that litter the state budget must be reformed. The goal must shift from fully funding the “wants” of government to meeting the real “needs” and priorities of the people.

Many in the Capitol resist such a transformation, and to be sure, there are risks with taking such a leap. But leap we must because our same old way of doing things simply will not work going forward.

More than 19,000 Louisiana jobs have been lost in 2015 and 2016. If you or your family has recently lost a job, you understand it clearly. Additional economic challenges lie ahead in the year to come. While the economy suffers and families across the state are forced to respond to this challenge, the reaction in the State Capitol was different. New taxes on business and consumers were imposed in order to fund an ever-growing state government. The new state budget is nearly $3 billion larger than the budget that passed in the prior year, including $800 million in new state dollars and more than $2 billion in new federal dollars.
At times, the Legislature took a strong stand against measures to place new hurdles on the path to economic growth. They did, in fact, mitigate some of the most harmful taxes proposed. They refused to roll back education policies that have led to greater school choice and improved student performance and rejected unnecessary regulations and new mandates on the hiring practices of small and large employers.

Still, these bright spots are only a footnote to the fact that 2016 was once again a year that the priorities of government clearly outweighed the best interest of taxpayers.

The 2016 LABI Legislative Scorecard includes:

- LABI’s Legislative Agenda – an overview of LABI’s priorities supported on behalf of the business community during the 2016 sessions.

- Recognition for Legislators with Top Scores – Most Valuable Policymakers (MVP) awards for the five legislators with a perfect 2016 score; All-Star Team honors for the 12 legislators with a 2016 score of 90 percent or higher; and Honorable Mention for the 14 legislators with a 2016 score of 80 percent or higher.

- LABI’s Annual Legislative Scorecard – a comprehensive report with details on where each legislator stood on LABI’s 2016 legislative agenda.

- Louisiana’s Budget by the Numbers – a snapshot of trends in the budget of state government as well as the areas of tax policy where Louisiana is now a national outlier as a result of 2016 legislative action

- Louisiana’s Legislature by the Numbers – a breakdown of various segments of the current Legislature

Despite the challenging times in 2016, we know that Louisiana is blessed with tremendous natural resources, a unique culture admired around the nation and a generous and resilient population.

We at LABI will continue to partner with stakeholders from all perspectives to promote free enterprise and protect Louisiana’s employers and taxpayers. Serious efforts to address the state’s budget challenges in a responsive way will require a holistic and comprehensive approach. We remain committed to that cause.

Transform government spending. Reform the structure of the state budget. Address the sacred cows. Make our tax code simple and fair. That is the only way to responsibly fund government and create a strong economy that we deserve. That is the goal we will work toward in 2017.

Stephen Waguespack
President, LABI

John Finan
2016 Chairman of the Board
01. WORKFORCE DEVELOPMENT AND TRAINING

Why It Matters

The Progress Made

- Protected School Choice
- Upheld Louisiana Student Standards
- Participated in the Compromise on Accountability
- Passed Tuition Autonomy for Higher Education
- Set a Floor for TOPS
- Pre K-12 Funding

The Fight For A Better Business Climate Continues

02. EMPLOYMENT AND ECONOMIC SECURITY

Why It Matters

The Progress Made

- Defeated New Causes of Action Against Employers
- Stopped Initiatives That Would Drive Up Legal Costs
- Opposed Costly and Unnecessary Regulations

The Fight For A Better Business Climate Continues

03. ENERGY RESOURCES AND INFRASTRUCTURE

Why It Matters

The Progress Made

- Protected Employers from Burdensome New Regulations
- Supported Public-Private Construction Partnerships
- Supported Long-Term Federal Infrastructure Funding

The Fight For A Better Business Climate Continues
04. BUSINESS COMPETITIVENESS

WHY IT MATTERS

THE PROGRESS MADE LOST
- Maintained the Inventory Tax Credit for Most Employers
- Defended Against State Sales Tax Increases Aimed at Industry
- Combed Corporate Income and Franchise Tax Increases
- Protected the Prohibition on Annual Tax Legislation
- Promoted Responsible Budget Policies

THE FIGHT FOR A BETTER BUSINESS CONTINUES

05. SMALL BUSINESS CLIMATE AND LIMITED GOVERNMENT

WHY IT MATTERS

THE PROGRESS MADE
- Protected Small Businesses from Burdensome Mandates and Costly Lawsuits
- Fought Against Overly Restrictive Local Ordinances
- Prevented Preferences in Public Bid Law
- Expanded Access to Healthcare for Small Businesses and Their Employees

THE FIGHT FOR A BETTER BUSINESS CLIMATE CONTINUES
“The best thing that came out of the session is we kept high standards and school choice for the children of the state.”

- Senator Michael Walsworth (R-West Monroe)
Workforce Development & Training
WORKFORCE DEVELOPMENT & TRAINING

Why It Matters

The Louisiana Association of Business and Industry (LABI) represents a continually growing membership of 2,500 employers who provide more than 320,000 direct Louisiana jobs. Workforce development and training for these jobs begins early. However, a substandard education system and inconsistency in academic opportunity and standards impedes the development of a superior Louisiana workforce. Louisianans should be able to compete for quality jobs both nationally and on a global level, but they are being held back. Without a skilled workforce, our companies produce less, and they have difficulty competing in an open market. A shortage of qualified workers ultimately leads to a lagging economy for the state.

The Progress Made

The 2016 regular session will be particularly remembered for the bold and effective defense against dozens of attacks on accountability, school choice, and other areas of policy advancement in our schools. The zeal of those seeking to roll back reforms was buttressed by the fact that newly elected Governor John Bel Edwards maintains strong ties with teacher unions and educational bureaucrats. The Governor himself brought legislation to target vouchers and charter schools, and prior to the convening of the session on March 14, the forecast for being able to defeat all of the proposed legislation was dire.

LABI was fortunate to work with fair education committee members, who were able to keep the Governor’s anti-reform positions in perspective. In the House, the committee structure was directly attributable to the election of new Speaker Taylor Barras (R-New Iberia), which changed the dynamic in the lower chamber and opened opportunities for LABI to successfully advocate on behalf of reforms across a range of issues.
With the Speaker’s appointment of Rep. Nancy Landry (R-Lafayette) as chair, as well as additional committee members that put children and families first, LABI was able to effectively combat damaging legislation in the House Education Committee. On the Senate side, a few stalwart education reform supporters remained on the new Education Committee under the leadership of a new chair, Senator Blade Morrish, who proved fair in advancing workforce and education legislation and sought compromise where possible with all stakeholders.

LABI and a tenacious and coordinated coalition effectively advocated for educational excellence throughout session, ensuring that neither committee approved damaging instruments. The strength of the reformers’ case successfully diminished support for those seeking to roll back accountability and impede quality options for students and families. Below are highlights of LABI’s advocacy on key education issues in 2016.

**Top Public Education Issues in the 2016 Session:**

1. Two bills on accountability that became part of a compromise agreed to by many stakeholders;
2. The return of control of certain New Orleans schools to the Orleans Parish School Board, which passed with some questions but had considerable local support;
3. Funding for K-12 schools;
4. The Taylor Opportunity Program for Students (TOPS);
5. Higher education tuition autonomy; and

**Protected School Choice**

Every year, attempts are made from the public school establishment to repeal previously enacted reforms. In 2016, dozens of bills were filed to stifle school choice. Several bills gained momentum as a result of the Governor’s historic support of anti-choice policies.

Whether it was to prohibit who could operate a charter, reallocate funding away from vouchers, or place restrictive mandates on charters, all of this legislation attempted to bog down critical reforms with unnecessary bureaucracy. In addition, the bills aimed to eliminate school choice for families and expand control by reinforcing the traditional public school establishment. LABI stands firm that a zip code should not determine a child’s future and we will continue to protect a parent’s ability to choose who is educating their children.

**Upheld Louisiana Student Standards**

Following more than 9,000 hours of review of the English language arts and math standards by 100+ Louisiana educators, revisions were approved by the Board of Education and Secondary Education (BESE) in March and submitted to the Legislature as required by law. On June 7, the Joint Education Committee met and, after a robust hearing, overwhelmingly approved those revised standards. LABI applauds the countless hours of review and refinement to the standards, ensuring that they are of the highest quality. These steps will lead Louisiana further down a path to support children’s opportunity and ability to compete in a global economy.
THE PROGRESS MADE (CONTINUED)

PARTICIPATED IN THE COMPROMISE ON ACCOUNTABILITY

Early in the session, Chairman Morrish convened stakeholders and requested the committee reach consensus on two bills: Act 498 (Sen. Morrish) that addressed numerous accountability issues and Act 504 (Sen. Boudreaux) that changed the value-added modeling (VAM) component of teacher evaluations. After numerous meetings, the stakeholders reached an agreement. The compromise on Act 498 set up an additional year of transition while new standards are implemented (i.e. no consequences for accountability or teacher evaluation for a third year). Act 504 was amended to reflect that within the student growth portion of the teacher evaluation system (50% of the total evaluation), VAM would be reduced from 50% to 35% within that overall 50%. In return, the union leaders, school boards, and superintendents agreed to not bring any bills to further delay accountability for three years. They also agreed to set aside any remaining bills that would roll back reforms in the Legislature in 2016.

PASSED TUITION AUTONOMY FOR HIGHER EDUCATION

LABI strongly supported a Constitutional Amendment that would give the higher education management boards’ authority to set tuition if approved by the electorate in November 2016. LABI supports autonomy within the higher education system so that they may be able to set tuition as the market dictates.

SET A FLOOR FOR TOPS

LABI supported legislation that establishes a floor for the current level of funding for TOPS. LABI supports sustainability in the TOPS program to ensure that our best and brightest students have a clear path forward in attaining a quality, Louisiana-based higher education.

PREK-12 FUNDING

The Minimum Foundation Program (MFP), is the formula used to determine state and local funding for education. Early in the 2016 session, the MFP resolution was rejected by a legislative committee, signifying that the formula from the previous year would remain in effect and fully funded.

In the 2015 regular session, as part of a budget compromise, a supplemental $44 million was appropriated above and beyond the $3.7 billion MFP formula for Louisiana schools. In working to solve the state’s $2 billion budget deficit in 2016 and through countless hours of testimony, the Legislature appropriated $20 million outside of the MFP, which has since been inaccurately described as a cut to required funding. Of note, early childhood funding remained intact.
A quality education and a ready workforce remain among the most critical components of a strong business climate. The business community must remain vigilant in providing the external expectation and pressure for continuous improvement, while also collaborating with schools as meaningful partners with a shared desired outcome. Louisiana is on her way, and if we can maintain the current trajectory, the future looks bright for the state’s children.
Our business is impacted greatly on things that are decided in Baton Rouge, mainly due to taxes and regulations. LABI is our voice – our best way of telling the legislators how these laws will affect us.

- Felicia Manuel, Ville Platte Iron Works
EMPLOYMENT & ECONOMIC SECURITY
EMPLOYMENT & ECONOMIC SECURITY

Why It Matters

A strong economy provides opportunities for our citizens to secure a stable job, support a family, and live comfortably. LABI advocates for economic growth that benefits not only our member companies but leads to prosperity for individuals, families, and communities across the state. The conditions for economic growth are created with a skilled workforce, reliable infrastructure, sound and stable tax policy, a fair legal climate, and limited regulations and governmental interference.

Louisiana is currently failing on several of these fronts. Furthermore, with the current global downturn in the oil and gas industry, Louisiana’s economy lost 19,000 jobs in 2015 and 2016. Yet the legislative sessions largely focused on the needs of government with little regard to employment or economic security. In addition to opposing a myriad of tax increases on already-struggling employers, LABI successfully fought against bills to create new causes of action against employers and drive up the costs of doing business in the state. The organization has also vocally opposed costly and unnecessary new regulations at both the state and federal level that will further impede Louisiana’s economic growth.
The Progress Made

Defeated New Causes of Action Against Employers

Legislation to expand the number and type of lawsuits against employers came from many directions. LABI successfully defeated several bills proposed by newly elected Governor John Bel Edwards that would have created new state mandates on hiring practices and pay, exposing companies to new forms of litigation. Other instruments attempting to increase and diversify a trial attorney’s book of business were also sidelined after LABI’s advocacy, including legislation to raise the medical malpractice cap. There are already ample laws on the books for trial attorneys to pursue legitimate cases.

Stopped Initiatives that Would Drive Up Legal Costs

LABI defeated legislation supported by trial attorneys that would add costs to employers already battling an economy in a downturn. Bills to extend the length of time when a company can be sued and give state government broad authority to sue and fine businesses were also effectively opposed. Louisiana’s legal climate is already poorly ranked nationally, and LABI is committed to fighting any attempt to drive costs up even further.

Opposed Costly and Unnecessary Regulations

LABI sidelined a variety of bills in the 2016 sessions to increase fines and regulations on small and large businesses alike. Legislation was defeated to authorize more suspensions of occupational licenses, increase administrative penalties on employers for compliance issues, and create new mandates to install certain equipment beyond what is required by federal law. Beyond opposing unnecessary regulations at the state level, LABI also sent a formal letter to the U.S. Department of Labor Secretary Thomas E. Perez, requesting a delay in the new federal overtime rule, which puts businesses in a one-size-fits-all box and stifles their ability to manage their workforce. Economic growth is stifled by excessive governmental interference.
THE FIGHT FOR A BETTER BUSINESS CLIMATE CONTINUES

Very recently, Louisiana was anticipating an economic boom, but the climate has rapidly deteriorated. Compounding the economic downturn, the three “tax and spend” sessions in 2016 squarely targeted employers to help resolve the state’s budget challenges. Recent state-led litigation against the oil and gas industry sends further signals around the country that Louisiana is not a state that prioritizes economic growth, nor creates the conditions for that growth.

While there are still some sizable industrial projects on the horizon in particular regions, Louisiana’s tax and legal codes will require considerable reform to reignite the possibility of broad-based economic security for employers and workers.

“Throughout the regular and the 2 special sessions, LABI stood strong for the businesses of Louisiana, in turn providing job security for the working people of the state. I knew my votes to keep Louisiana in a competitive economic position would be backed by LABI’s stalwart support.”

- Senator Beth Mizell (R-Franklinton)
Political compromise is difficult in an American democracy even though no one doubts it is necessary. This year was no different as we tackled a $2 billion deficit. While LABI may have sometimes advocated for positions different than mine, I respect the process and LABI’s view as a sound voice in the business community. There is room at the table for reasonable minds to discuss, debate, and work to make the state of Louisiana stronger in the process.

Representative Ted James
(D-Baton Rouge)
The energy industry is vital to the people of Louisiana and the state’s economy; however, coastal and legacy lawsuits seek to bypass the Legislature and the will of the majority of the electorate. Through the hard work of associations like LABI, we can remain vigilant and keep fighting in the House to prevent this executive overreach.

-Rep. Stuart Bishop (R-Lafayette)
Energy Resources & Infrastructure
Why It Matters

Louisiana is endowed with an abundance of natural resources, supplying approximately 30 percent of America’s energy production. This fact alone makes the state a viable candidate for competition in the global market and well-primed for economic opportunity and job growth. Even with the recent oil and gas downturn, the energy industry employs 300,000 people in Louisiana. LABI remains a proud advocate for these employers and their families and will continue to fight against state threats to energy industry jobs, currently and most notably in the form of aggressive lawsuits filed by state and local government.

Despite these natural resources, Louisiana must create the conditions for economic growth. Among the most foundational needs for the economy is a strong transportation infrastructure system. Louisiana must devote adequate resources and make smart investments to fund all modes of transportation that support a thriving economy and community. Creating and maintaining reliable infrastructure will advance the quality of life for Louisiana businesses and citizens for generations to come.
The Progress Made

Protected Employers from Burdensome New Regulations
LABI supports a balanced regulatory approach to protect our air, water, and all of Louisiana’s natural resources. The regulatory scheme should be comprehensive, cohesive and consistent across federal and state systems for businesses to stay competitive in a global market. LABI successfully defeated a variety of mandates aimed at employers that would have directly stifled competition, including a costly fence-line monitoring mandate that would have greatly exceeded federal requirements.

Supported Public-Private Construction Partnerships
Partnering with public-private companies helps ensure a positive return on the state’s investment in reliable infrastructure. LABI has encouraged the Transportation Funding Task Force to embrace the use of public-private partnerships (PPPs) as a potential infrastructure funding mechanism to meet the growing needs of the state’s transportation system and aid in the free flow of commerce. During the 2016 regular session, LABI also supported a measure to give the Department of Transportation and Development additional authority to solicit PPP contracts to advance construction projects.

Supported Long-Term Federal Infrastructure Funding
Short-term fixes will no longer address Louisiana’s mounting infrastructure needs. We must remain vigilant in identifying sustainable long-term funding solutions that will benefit our growing population and enhance business production and delivery. LABI actively supported the Fixing America’s Surface Transportation (FAST) Act, which was signed into law in December 2015. Since the passage of this legislation, Louisiana has received $100 million through the FASTLANE grant to advance three major construction projects geared to alleviate traffic congestion and further the free flow of interstate commerce.
The state is uniquely postured to make significant strides in improving our infrastructure system. LABI recognizes that reliable infrastructure is how our employees get to work and how industry moves forward. We will continue to actively support job-creating investments in transportation infrastructure and look forward to the recommendations of the Transportation Funding Task Force in 2017.

While we battle through continued uncertainty in global oil markets, there is much Louisiana can do to lay the path for growth in this backbone sector of the state’s economy. LABI pledges to seek ways to stop the aggressive lawsuits filed against the industry by the state while also pursuing regulatory, tax, and legal reforms to improve the overall business climate.

“AS THE OIL AND GAS COMMUNITY WORKS TO SURVIVE UNDER LOW ENERGY PRICES, IT’S GOOD TO KNOW LABI IS AT THE CAPITOL FIGHTING TO ENSURE THAT ADDITIONAL TAXES, FEES AND REGULATIONS DON’T HURT OUR INDUSTRY ANY FURTHER.”

- ROBERT MILLS, CALUMET REFINING, SHREVEPORT
IN A LOCAL ECONOMY TIED HEAVILY TO THE OIL AND GAS INDUSTRY, MY CONSTITUENTS AND I ARE WATCHING CLOSELY AS COMPANIES REACT TO A STEEP DECLINE IN THE PRICE OF CRUDE. LABI HAS BEEN A GREAT PARTNER IN EFFORTS TO ENSURE WE ARE HELPING, NOT HURTING, THE INDUSTRY IN OUR STATE.

SENATOR NORBY CHABERT
(R-HOUMA)
“LABI’s leadership is vital to our efforts to keep government off the backs of the working families of Louisiana.”

- Representative Alan Seabaugh (R-Shreveport)
BUSINESS COMPETITIVENESS

Why It Matters

Private enterprise is the engine that drives the economy. It generates employment and the revenue that funds state and local government. However, a market fueled by free enterprise cannot thrive, or even continue, under constant over-regulation with volatile increases in taxes. These impediments slow the development of small and large companies alike, which are the lifeblood that employ hundreds of thousands of Louisiana workers who, in turn, drive the economy. Without a thriving market, the whole community suffers.

Technological advancements and rapid global expansion are providing the means for companies to invest in favorable climates worldwide. This singular fact should make creating and sustaining a highly competitive environment a paramount concern for Louisiana state leaders. Despite this reality, the actions of the Legislature and administration in 2015 and 2016 have sent a very different signal. The needs of state and local government far outweighed the importance of growth in the private sector, as demonstrated by billions of dollars in new taxes raised at a time when the economy is already in a recession with thousands of lost jobs.

Louisiana was promised fiscal reform after the 2015 regular session raised state revenues largely through new and increased business taxes. Regrettably, what taxpayers saw this year was more of the same, piecemeal solutions at the expense of employers and a competitive business environment. Rather than take a comprehensive approach, those special sessions were solely focused on raising taxes to fund bureaucracy.
THE PROGRESS MADE—LOST

MAINTAINED THE INVENTORY TAX CREDIT FOR MOST EMPLOYERS

Louisiana has the dubious distinction of being one of 10 states that tax inventory throughout the state. More than 10,000 Louisiana businesses, from large, multinational corporations to small neighborhood grocery stores, pay inventory taxes to local governments, generating about 11 percent of all local property tax collected in the state. For decades Louisiana has maintained an ad valorem tax on inventory held by manufacturers, distributors, and retailers, which is then assessed and collected by local government. In 1991, the Louisiana Legislature authorized a state income tax credit for local inventory taxes paid by such businesses. This authorization was a significant step toward making the state more competitive for business investment and jobs. This approach was enacted in place of an outright repeal to allow local government to keep the revenue.

However, legislation was filed in both special sessions in 2016 to reduce the state inventory tax credit even more than the 25 percent reduction on the refundable amount that was enacted in the 2015 regular session. This legislation was a top issue for LABI given the numbers of employers affected and because, by definition, inventory taxes disincentivize investment, expansion, capital accumulation, and growth. Inventory taxes apply to mobile property and create strong motivation for companies to locate such inventory in states where it’s not taxed. In a 2015 study commissioned by the Louisiana Legislature, several economists concluded that “[o]ver time we believe that the inventory ad valorem tax should be eliminated and replaced with other local revenues”.

In the first special legislative session of 2016, several bills reached the House floor, but legislators refused to vote for additional across-the-board reductions in the credit, recognizing the strong argument made by LABI and the state’s employers. In the second special session, however, two bills passed to limit the credit for larger businesses, as well as for manufacturers that receive the industrial property tax exemption. At the same time, the same new law actually restored 100% of the inventory tax credit for small businesses.

Two task forces were created by the Legislature to seek a comprehensive solution to the challenge of the inventory tax credit in 2017. LABI is advocating for the phase-out of the tax itself, creating incentives to invest in Louisiana with a goal of expansion, capital accumulation, and growth in every industry and area of the state.
THE PROGRESS MADE—LOST (CONTINUED)

DEFENDED AGAINST STATE SALES TAX INCREASES AIMED AT INDUSTRY

Sales taxes on business inputs add layers of taxation (known as “pyramiding”) into the price of goods before they reach consumers and are taxed once again upon their sale. The Council on State Taxation already ranks Louisiana third highest in the country for imposing state and local sales taxes on business input purchases. In the first special session of 2016, several bills were filed to increase state revenues through sales taxes; most of these increases targeted business purchases.

LABI and our partners opposed the imposition of taxes on more business inputs, such as utilities and manufacturing machinery and equipment (MM&E). Louisiana is one of only 14 states that tax manufacturing utilities and among just nine states that tax the sales of MM&E. Despite the business community’s concerted efforts, in the final rushed minutes of the first special session, the Legislature made business utilities and manufacturing machinery and equipment temporarily subject to sales tax.

This additional burden compounds what is already considered bad tax policy. With the highest rate in the nation, Louisiana’s sales taxes negatively affect employers and consumers alike and make Louisiana less competitive. Astonishingly, in the second special session, the Legislature worsened our state’s competitive position by reacting to a Supreme Court decision in favor of employers and instead redefining certain inputs in the manufacturing process by statute to generate more state and local sales tax revenues.

COMBATED CORPORATE INCOME AND FRANCHISE TAX INCREASES

Throughout the first special session, there were multiple attempts to increase taxes for corporations. While a few bills passed, most were stopped altogether or modified after diligent advocacy efforts from LABI. A bill to impose combined unitary reporting of corporate income never reached the floor. This additional mandate of reporting would have resulted in tremendous administrative burdens for both employers and the state revenue department. A less onerous “addback” methodology was enacted, but only after LABI worked with the bill’s author to remove major objections to the measure.

The Legislature did, however, succeed in passing an expansion of the state’s franchise tax. More than half of states do not have this pay-to-play tax, which is widely considered bad tax policy, and Louisiana’s rate is one of the highest in the nation. Still, championed by Governor John Bel Edwards, a new law expanded the franchise tax to most LLCs, even as LABI was able to ensure businesses taxed as S-Corporations were not captured by the bill. This new law stands in direct contrast to numerous state and national reports that have recommended the outright repeal of the franchise tax.
Protected the Prohibition of Annual Tax Legislation

Legislation filed in the regular session would have made it easier for the Legislature to enact new taxes every year rather than considering such legislation every other year, as is current law. Although Constitutional Amendments were proposed that would have removed the prohibition against revenue-raising measures during sessions in even-numbered years, LABI remained in strong opposition, successfully stopping the bills on the floors of both chambers.

Promoted Responsible Budget Policies

Few pieces of legislation were filed to address the other side of the state’s deficit challenges, such as government spending and budgeting practices. LABI urged legislators to take a holistic approach, but decisions in this regard largely were postponed and the state failed to pass budget reforms championed by LABI. Federal and state spending substantially increased as a result of the administration’s singular focus on new revenue as a means to resolve budget challenges in all three legislative sessions in 2016.

“As Vice Chair of House Ways and Means, I witness firsthand the challenges facing the state, but we cannot allow obstacles to determine our fate. We must forge ahead with a comprehensive tax reform that will yield a predictable and stable tax climate and budget structure for both public and private sectors.”

- Representative Jim Morris (R-Oil City)
After two decades of modest improvement in Louisiana’s business tax policies, the legislature took erroneous steps to once again hinder a competitive environment. This will inevitably impact business decisions concerning expansion or continuation in Louisiana. Our state leaders must re-focus on job creation and economic growth by crafting Louisiana’s tax and fiscal policies in a manner that prioritizes employment opportunities to assure our citizens can flourish in a healthy economy. A widely recognized goal of sound tax policy is to create an environment that allows the home team to compete with other states and nations. If applied in Louisiana, it will help sustain a sound and stable business climate that will be a model to which others can aspire.

The 2017 fiscal session offers an opportunity for reforming an overly complex tax code while making the structural changes necessary to better prioritize spending. Such action could salvage the state’s business climate, and LABI remains ready to promote initiatives to change Louisiana’s fiscal system for the better to encourage business development and expansion that will re-energize our economy.

“Buffeted by structural shortfalls and declining revenue, Louisiana policymakers added a penny to the state sales tax, increasing the state rate from 4 to 5 percent while introducing greater complexity to the sales tax base. With the combined state and local rate now approaching 10 percent, Louisiana slipped from 48th to 50th on the sales tax component of the Index, and declined from 36th to 41st overall.

- The Tax Foundation, 2017 State Business Tax Climate Index
A thriving business community, free from state mandates, is what makes Louisiana’s economy successful. I consider LABI’s unwavering stance to protect employers from challenges that harm economic development and hinder their ability to prosper as an asset to the state.

**Senator Ronnie Johns**  
(R- Lake Charles)
As a business owner, I understand how tax, labor and regulatory policies impact my business. It is imperative that the business community, and especially small businesses, have a voice at the capitol when bills will negatively impact us. LABI is that constant and powerful voice working diligently in Baton Rouge to protect the business community from harmful economic policies.

- Representative Kirk Talbot (R-River Ridge)
SMALL BUSINESS
CLIMATE
& LIMITED
GOVERNMENT
SMALL BUSINESS
CLIMATE & LIMITED
GOVERNMENT

WHY IT MATTERS

More than 76 percent of LABI's membership is comprised of small businesses with less than 100 employees. The growth of the economy in Louisiana is directly dependent on maintaining a healthy industrial base, coupled with a thriving small business community that supports industry. LABI's advocacy efforts, on behalf of these employers and their employees, have only grown stronger to address the challenges facing small businesses, such as the growing size of state government and a burdensome, perplexing and costly tax structure.

Citizens and businesses should all have the ability to participate in the governmental process without burdensome red tape and layers of bureaucracy. Growth in the state's economy relies on an honest, fair and responsible government. A fair and level playing field in policy and a limited and non-intrusive state government are what small businesses need most.

THE PROGRESS MADE

PROTECTED SMALL BUSINESSES FROM BURDENsome MANDATES AND COSTLY LAWSUITS.

LABI fought and won many battles during the 2016 session to protect small business owners from a plethora of mandates seeking to interject the government into the employer's process of maintaining their business. Much of this legislation would have also given attorneys more opportunities to sue small businesses. Whether it was fighting to stop the state or local governments from establishing new wage mandates or forcing costly sick leave policies beyond what is required by the federal government, LABI successfully fought to ensure the business owner can decide wages and best hiring practices based on market demands.

While Louisiana already has guarantees of equality and non-discrimination in the law, bills were filed that would have gone much further and required many small business owners to prove to a bureaucrat how and what they pay their employees. In the competitive environment in which small business owners exist, LABI believes that small business owners are very aware that their employees are that most valuable asset and operate best in a free and open marketplace.
Fought Against Overly Restrictive Local Ordinances

Local governments decide at times to overly regulate small businesses, especially those that contract with the government. Some municipalities have put specific restrictive ordinances in place, for instance, local hiring mandates. This only serves to skyrocket the cost of government and tie the hands of business owners who know their workforce best. Legislation filed in 2016 (SB 288 by Sen. Appel) sought to stop these types of ordinances. Though it did not make its way through the entire process, he made great progress. LABI believes that small business owners understand their workforce demands and who best can do the job. For employers to remain efficient and effective, overly restrictive government should not tell them who they should hire.

Prevented Preferences in the Public Bid Law

LABI successfully opposed measures that would have created preferences in the public bid law. While preferences in the public bid law may seem like a laudable goal, in reality it only serves to create an unlevel playing field giving favor to one business over another, especially in the case of small businesses. LABI believes that having an open and transparent bidding process is the best avenue for taxpayers and employers, allowing all businesses to compete in the marketplace fairly.

Expanded Access to Healthcare for Small Businesses and Their Employees

LABI supported legislation to expand access to telemedicine services, which encourages Louisiana workers to seek timely solutions to their health concerns that fit into their hectic schedules. Having the option to access treatment for common ailments through telemedicine allows a worker to avoid having to take leave to travel to a physician’s office for an appointment, which can take hours, and which may not be medically necessary. This flexible option benefits the employee and his or her employer by expanding access to healthcare and generating costs savings in healthcare for both Louisiana businesses and citizens.
THE FIGHT FOR A BETTER BUSINESS CLIMATE CONTINUES

Louisiana’s small businesses are the backbone of the state’s economy. LABI is at the tip of the spear in working to maintain the free enterprise system and a level playing field for the business community, so they may continue to be the foundation for the states’ economic growth.

The Legislature has copious opportunities to take the lead in fighting for our small business community, especially in the way of tax reform as promised for the 2017 session. Small businesses are buried with a sales tax collection system that is unnecessary and extremely burdensome. We are one of only three states in the nation that do not have a seamless and streamlined process for businesses to collect and remit tax dollars. Rather, Louisiana forces small business owners to deal with roughly 60 different tax collectors, with varied tax rates and bases, and this unfortunate variation is common from one parish to the next. If lawmakers truly want to unleash the economic engine in this state, small businesses, reforming our sales tax collection system should be the utmost priority.

The complexity of our tax system is but one issue that small business owners need fixed. They also need relief from skyrocketing insurance rates, especially auto and liability. They want lawmakers in Baton Rouge to understand that piling mandates onto them only adds to their cost of doing business and makes it more difficult for them to grow their company and create jobs. Small business owners would also like to see the size and scope of government pared down. After all, they have to live within their means and so should the government.

LABI will continue to push for these issues, no matter the difficulty. We believe it is the only way we can truly unleash the potential of small business owners and see record growth in the economy. The marketplace of ideas, innovation, and free enterprise are the best routes to prosperity for all citizens.

“NO ONE STARTS THEIR SMALL BUSINESS FOCUSING ON HOW TO DEAL WITH ALL THE LAWS AND REGULATIONS THAT ARE THREATS TO YOUR DREAM; BUT THE LONGER YOU ARE IN BUSINESS THE MORE INEVITABLE IT IS THAT YOU WILL BE FORCED TO INCLUDE THAT IN YOUR PERIODIC SWOT ANALYSIS. EVERY LEGISLATIVE SESSION BRINGS A NEW BATTERY OF LAWS AND REGULATIONS THAT CAN IMPACT SMALL BUSINESS, USUALLY NEGATIVELY. LABI NOT ONLY INFORMS ME OF LEGISLATION THAT IMPACTS MY BUSINESS, BUT EMPOWERS ME TO DO SOMETHING ABOUT IT. LABI IS OUR BATTLE-PROVEN PARTNER FIGHTING AGAINST HARMFUL LEGISLATION AND SUPPORTING THE RARE HELPFUL BILL.”

- JOHN OVERTON, TURNKEY SOLUTIONS, BATON ROUGE
LABI annually refines a Program of Work to organize and unite our 2,500 member businesses. This set of positions not only serves as the consensus agenda of the Louisiana business community, but also provides legislators with a clear understanding of employers’ legislative priorities.

Throughout the three legislative sessions, as votes on major issues approached, LABI staff, leadership and members communicated with legislators indicating the importance of the vote to the business community.

At the conclusion of the sessions, LABI assigned scorecard status to those votes considered most important to Louisiana’s economic success.

The 2016 Senate and House scores were calculated based on how every legislator voted on the issues contained in LABI’s 2016 Program of Work.

Learn how each legislator voted on every bill backed by LABI by viewing the Scorecard charts, visiting labi.org/scorecard or by contacting us at camillei@labi.org or 225-215-6655.
<table>
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<td>Robert Shadoin ...........</td>
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<td>Joseph Bouie ............</td>
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<td>Kenny Cox ................</td>
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07.
LABI MVPs
LABI recognizes and honors the following five representatives whose voting record shows a dedication to the principles of free enterprise. On 100 percent of the legislation important to LABI and the state’s employers, these legislators voted to prioritize growth in the private sector economy.

**Representative Beryl Amedée**  
(R-District 51)

**Representative Rick Edmonds**  
(R-District 66)

**Representative Julie Emerson**  
(R-District 39)

**Representative Barry Ivey**  
(R-District 65)

**Representative Nancy Landry**  
(R-District 31)
LABI All-Stars
LABI extends a special thanks to the following four senators who scored 90 percent or higher on the 2016 LABI Scorecard. These legislators assisted LABI in advancing a platform of positive, pro-growth measures to improve Louisiana's economic climate.

**Senator Conrad Appel**  
(R-District 9)

**Senator Jack Donahue**  
(R-District 11)

**Senator Neil Riser**  
(R-District 32)

**Senator Mike Walsworth**  
(R-District 33)
LABI extends a special thanks to the following eight representatives who scored 90 percent or higher on the 2016 LABI Scorecard. These legislators assisted LABI in advancing a platform of positive, pro-growth measures to improve Louisiana’s economic climate.
Labi honorable mentions.
LABI extends a special thanks to the following two senators who scored 80 percent or higher on the 2016 LABI Scorecard. These legislators assisted LABI in advancing a platform of positive, pro-growth measures to improve Louisiana’s economic climate.
LABI extends a special thanks to the following 12 representatives who scored 80 percent or higher on the 2016 LABI Scorecard. These legislators assisted LABI in advancing a platform of positive, pro-growth measures to improve Louisiana’s economic climate.

Representative Tony Bacala  
(R-District 59)

Speaker Taylor Barras  
(R-District 48)

Representative John Berthelot  
(R-District 88)

Representative Jean-Paul Coussan  
(R-District 45)

Representative Thomas Carmody  
(R-District 6)

Representative Gregory Cromer  
(R-District 90)

Representative Valerie Hodges  
(R-District 64)

Representative Sherman Mack  
(R-District 95)

Representative Blake Miguez  
(R-District 49)

Representative Scott Simon  
(R-District 74)

Representative Clay Schexnayder  
(R-District 81)

Representative Thomas Willmott  
(R-District 92)
10. The Scorecard
<table>
<thead>
<tr>
<th>Senators</th>
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<tbody>
<tr>
<td>John Alario</td>
<td>32%</td>
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<tr>
<td>R.L. “Bret” Allain</td>
<td>56%</td>
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<tr>
<td>Conrad Appel</td>
<td>94%</td>
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<td>Regina Barrow</td>
<td>5%</td>
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<td>Wesley Bishop</td>
<td>10%</td>
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<td>Gerald Boudreaux</td>
<td>15%</td>
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<td>Troy Brown</td>
<td>16%</td>
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<td>Troy Carter</td>
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<td>Norby Chabert</td>
<td>51%</td>
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<td>Dan Claitor</td>
<td>67%</td>
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<td>Page Cortez</td>
<td>51%</td>
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<tr>
<td>Jack Donahue</td>
<td>93%</td>
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<td>Yvonne Colomb</td>
<td>14%</td>
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<td>Dale Erdey</td>
<td>25%</td>
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<tr>
<td>Jim Fannin</td>
<td>51%</td>
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</table>

**Sen. Bret Allain**
Passed a resolution creating a task force to study local property taxes in the hopes of finding a workable replacement for the inventory tax.

**Sen. Conrad Appel**
Proactive and effective in protecting the business community against lawsuits and local mandates. Remains a stalwart education champion in always putting kids and families first.

**Sen. Jack Donahue**
Consistently voiced opposition against the erroneous tax bills in both special sessions.
### Senators 2016 Score

<table>
<thead>
<tr>
<th>Senator</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryan Gatti</td>
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<td>Sharon Hewitt</td>
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<td>Ronnie Johns</td>
<td>53%</td>
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<td>Eric LaFleur</td>
<td>11%</td>
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<td>Eddie Lambert</td>
<td>47%</td>
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<td>Gerald Long</td>
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<td>Jay Luneau</td>
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<td>Danny Martiny</td>
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<td>John Milkovich</td>
<td>30%</td>
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<tr>
<td>Fred Mills</td>
<td>41%</td>
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<tr>
<td>Beth Mizell</td>
<td>82%</td>
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<tr>
<td>J.P. Morrell</td>
<td>9%</td>
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<tr>
<td>Dan “Blade” Morrish</td>
<td>41%</td>
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<tr>
<td>Barrow Peacock</td>
<td>76%</td>
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<tr>
<td>Jonathan “J.P.” Perry</td>
<td>67%</td>
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</tbody>
</table>

**Sen. Sharon Hewitt**  
New to the Senate, her commanding delivery and breadth of knowledge is already well-respected by her colleagues.

**Sen. Beth Mizell**  
Stood up against rolling back recent pro-education reforms that LABI fought hard to obtain.

**Sen. Blade Morrish**  
Took the reins of the Senate Education Committee, working to bring all sides together in compromise where possible.

**Sen. Barrow Peacock**  
As the Senate Retirement Committee chair, attempted to reform Louisiana’s unsustainable government pension system.
Senators

Karen Carter Peterson ..................... 10%
Neil Riser ........................................... 98%
Gary Smith ........................................ 41%
John Smith ........................................ 51%
Gregory Tarver ................................. 37%
Francis Thompson ........................... 37%
Mike Walsworth ................................ 94%
Rick Ward ......................................... 31%
Mack “Bodi” White ......................... 71%

Sen. Neil Riser
Often the lone vote in Senate Committees against higher taxes and employer mandates.

Sen. Mike Walsworth
In the Senate Education Committee, he once again championed students’ and families’ rights to a quality educational opportunity.
Representatives 2016 Score

Mark Abraham ........................................... 51%
Neil Abramson ......................................... 38%
Bryan Adams ........................................... 41%
Beryl Amedée ......................................... 100%
Andy Anders ........................................... 16%
James Armes ........................................... 21%
Tony Bacala ........................................... 83%
Larry Bagley ........................................... 54%
John Bagneris ......................................... 28%
Taylor Barras ......................................... 88%
John Berthelot ......................................... 82%
Robert Billiot ......................................... 29%
Stuart Bishop .......................................... 78%
Joseph Bouie .......................................... 16%
Chris Broadwater ..................................... 51%

Rep. Beryl Amedée
Held the line in Education Committee to keep reforms that help children.

Rep. Tony Bacala
Vocal supporter of smaller government and protecting industry against burdensome and uncompetitive tax increases.

Rep. Stuart Bishop
As Natural Resources Committee Chair, he was fair in hearings while protecting the oil and gas employers.

Speaker Taylor Barras
As a new speaker, showed independence and leadership throughout three contentious sessions.

Rep. Bryan Adams
Announced early retirement from the legislature and was replaced by Joe Marino (R-Gretna).
## SCORECARD

### REPRESENTATIVES 2016 SCORE

<table>
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<td>Thomas Carmody</td>
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<td>Barbara Carpenter</td>
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<td>Gary Carter</td>
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<td>Steve Carter</td>
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<td>Jean-Paul Coussan</td>
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<td>Kenny Cox</td>
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<tr>
<td>Gregory Cromer</td>
<td>84%</td>
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<td>Michael Danahay</td>
<td>52%</td>
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<tr>
<td>Paula Davis</td>
<td>93%</td>
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<tr>
<td>Phillip DeVillier</td>
<td>77%</td>
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**Rep. Jean-Paul Coussan**
As a freshman legislator, was a strong advocate against imposing higher taxes on employers.

**Rep. Phillip DeVillier**
Showed leadership and courage as a new member, prioritizing private sector growth over government expansion in the Ways and Means Committee.

**Rep. Steve Carter**
Long-time champion of a strong Louisiana workforce and a growing economy.

**Rep. Michael Danahay**
Passed LABI-supported bills in several sessions that improved the appeals process for state and local tax disputes.
Rep. Julie Emerson
Stood with job creators against tax increases and more lawsuits.

Rep. Rick Edmonds
Strong ally who fought for the taxpayer against growing government

Rep. Jimmy Harris
As a freshmen lawmaker, stood firm with manufacturers and the Louisiana Supreme Court’s decision in opposing the expansion of sales taxes on more inputs.
Scorecard

Representatives 2016 Score

Chris Hazel ........................................ 47%
Cameron Henry .................................. 70%
Bob Hensgens ................................... 58%
Stephanie Hilferty ............................ 56%
Dorothy Sue Hill ................................. 9%
Valarie Hodges ................................ 86%
Frank Hoffmann ................................. 54%
Paul Hollis ......................................... 73%
Dodie Horton ....................................... 95%
Frank Howard .................................... 93%
Marcus Hunter .................................... 15%
Mike Huval ......................................... 77%
Barry Ivey .......................................... 100%
Katrina Jackson ................................. 12%
Ted James .......................................... 28%

Rep. Dodie Horton
As a freshman, took strong positions in the Ways and Means Committee to support economic growth over an expanding government.

Rep. Valarie Hodges
Stood strong in protecting small businesses from bad tax policy by voting against franchise tax expansion.

Rep. Barry Ivey
Voted in committees and on the House floor against bills to increase employers’ taxes, as well as their exposure to lawsuits and penalties.

Rep. Frank Howard
Consistently stands with Louisiana employers to protect them from harmful tax policy.
### Representatives 2016 Score

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<th>Representative</th>
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<td>Sam Jenkins</td>
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<td>Mike Johnson</td>
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<td>Edmond Jordan</td>
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<td>Nancy Landry</td>
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<td>Terry Landry</td>
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<td>H. Bernard LeBas</td>
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<td>Walt Leger</td>
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<td>Chris Leopold</td>
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<td>Joseph Lopinto</td>
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<td>Rodney Lyons</td>
<td>26%</td>
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<tr>
<td>Sherman Mack</td>
<td>88%</td>
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</table>

**Rep. Mike Johnson**
Fought for taxpayers by shining a light on bloated budgets, especially in DHH.

**Rep. Nancy Landry**
Capably assumed the role of chair of the House Education Committee, earning respect from all sides as a fair and principled leader in an often-contentious committee.

Announced early retirement from the legislature and was replaced by Polly Thomas (R-Metairie).
As a business owner, Rep. McFarland understands what it means to sign the front of a paycheck. In committee and on the House floor, he fought to protect businesses from lawsuits and added costs.

Rep. Blake Miguez
Passed a bill imposing sales taxes on business utilities and manufacturing machinery and equipment, refusing an amendment that would have lessened its impact on employers.

Rep. James “Jim” Morris
As Vice-Chair of the Ways and Means Committee, sought to mitigate harmful tax increases.

Rep. John “Jay” Morris
Passed a bill imposing sales taxes on business utilities and manufacturing machinery and equipment, refusing an amendment that would have lessened its impact on employers.

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<td>Denise C. Marcelle</td>
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<tr>
<td>Jack McFarland</td>
<td>70%</td>
</tr>
<tr>
<td>Blake Miguez</td>
<td>83%</td>
</tr>
<tr>
<td>Dustin Miller</td>
<td>26%</td>
</tr>
<tr>
<td>Gregory Miller</td>
<td>75%</td>
</tr>
<tr>
<td>Jack Montoucet</td>
<td>9%</td>
</tr>
<tr>
<td>Helena Moreno</td>
<td>20%</td>
</tr>
<tr>
<td>James &quot;Jim&quot; Morris</td>
<td>72%</td>
</tr>
<tr>
<td>John &quot;Jay&quot; Morris</td>
<td>24%</td>
</tr>
<tr>
<td>Barbara Norton</td>
<td>17%</td>
</tr>
<tr>
<td>Kevin Pearson</td>
<td>67%</td>
</tr>
<tr>
<td>Vincent Pierre</td>
<td>33%</td>
</tr>
<tr>
<td>J. Rogers Pope</td>
<td>50%</td>
</tr>
<tr>
<td>Ed Price</td>
<td>33%</td>
</tr>
</tbody>
</table>
Rep. Clay Schexnayder
As a small business owner himself, an ever-present force in opposing new mandates and litigation threats.

Rep. Kirk Talbot
As a business owner, understands that smaller, more efficient government is needed and proactively fights for the free enterprise system.

Rep. Alan Seabaugh
A strong leader, constantly working towards positive reforms on the Labor and Industrial Relations Committee.

Rep. Major Thibaut
Reauthorized his pilot program to provide re-entry support for citizens returning from incarceration, a LABI-sponsored initiative.

Stephen Pugh ...................................77%
Steve Pylant ......................................55%
Gene Reynolds ..................................20%
Jerome "Dee" Richard ......................64%
Clay Schexnayder .............................84%
John Schroder ...................................75%
Alan Seabaugh ................................93%
Robert Shadoin ................................33%
Scott Simon .......................................85%
Pat Smith ..........................................22%
Julie Stokes .......................................74%
Kirk Talbot .........................................90%
Major Thibaut ..................................53%
Malinda White ...................................29%
Thomas Willmott ..............................83%
Jerome Zeringue .................................93%
11. Explanation of Bills Used
<table>
<thead>
<tr>
<th>BILL</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>HB 30</td>
<td>This bill expands the definition of remote dealer for purposes of collecting and remitting state and local sales tax.</td>
</tr>
</tbody>
</table>
| Leger | - A vote FOR final passage was a vote WITH LABI  
|       | - The bill passed the Senate 38-0-1 |
| HB 19 | The bill expands the definition of franchise tax to extend it to capital, plants, or property owned directly or indirectly by a partnership, joint venture, or any other business organization of which the corporation is a related party; applies the franchise tax to certain LLCs beginning January 2017. |
| James | - A vote AGAINST final passage was a vote WITH LABI  
|       | - The bill passed the Senate 26-9-4 |
| HB 61 | The bill temporarily eliminates exemptions and exclusions from the existing state sales tax, including as much as 4 percent on business utilities and 1 percent on manufacturing machinery and equipment. |
| Jay Morris | - A vote AGAINST final passage was a vote WITH LABI  
|           | - The bill passed the Senate 36-2-1 |
| SB 25 | This bill would have sunset all sales tax exemptions including business utilities and manufacturing machinery and equipment as of July 1, 2017. |
| Cortez | - A vote FOR involuntary returning this bill to the calendar was a vote WITH LABI  
<p>|         | - The bill was returned to the calendar in Senate 18-16-5 |</p>
<table>
<thead>
<tr>
<th><strong>SENATE VOTES</strong></th>
<th><strong>REGULAR SESSION</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SB 3</strong></td>
<td>Peacock</td>
</tr>
<tr>
<td>This bill would have set a 5-year final average compensation (FAC) for employees hired on or after Jan. 2017, who qualified for the Firefighters’ Retirement System.</td>
<td></td>
</tr>
<tr>
<td>• A vote FOR final passage was a vote WITH LABI</td>
<td></td>
</tr>
<tr>
<td>• The bill passed the Senate 21-15-3</td>
<td></td>
</tr>
<tr>
<td><strong>SB 25</strong></td>
<td>Morrell</td>
</tr>
<tr>
<td>This Constitutional Amendment sought to permit the Legislature to increase taxes or enact new ones annually instead of restricting such actions to every other year, as is current law.</td>
<td></td>
</tr>
<tr>
<td>• A vote AGAINST final passage was a vote WITH LABI</td>
<td></td>
</tr>
<tr>
<td>• The bill failed to pass the Senate 11-24-4</td>
<td></td>
</tr>
<tr>
<td><strong>SB 80</strong></td>
<td>Morrish</td>
</tr>
<tr>
<td>This Constitutional Amendment will authorize the management boards of higher education to set tuition and fee amounts, rather than the Legislature.</td>
<td></td>
</tr>
<tr>
<td>• A vote FOR final passage was a vote WITH LABI</td>
<td></td>
</tr>
<tr>
<td>• The bill passed the Senate 30-7-2</td>
<td></td>
</tr>
<tr>
<td><strong>SB 174</strong></td>
<td>Donahue</td>
</tr>
<tr>
<td>This bill sets the funding floor for TOPS awards at the current level and allows the Legislature to increase the amount in future years.</td>
<td></td>
</tr>
<tr>
<td>• A vote FOR final passage was a vote WITH LABI</td>
<td></td>
</tr>
<tr>
<td>• The bill passed the Senate 36-0-3</td>
<td></td>
</tr>
<tr>
<td><strong>SB 254</strong></td>
<td>Morrell</td>
</tr>
<tr>
<td>Instead of requiring equal pay for equal work, as is current law in Louisiana, this bill would have required equal pay for work that is “comparable” and allowed the courts to determine the definition.</td>
<td></td>
</tr>
<tr>
<td>• A vote AGAINST final passage was a vote WITH LABI</td>
<td></td>
</tr>
<tr>
<td>• The bill passed the Senate 28-10-1</td>
<td></td>
</tr>
<tr>
<td><strong>SB 288</strong></td>
<td>Appel</td>
</tr>
<tr>
<td>This bill would have prohibited political subdivisions from enacting local ordinances mandating preferential hiring requirements in public contracts beyond what is required by state law.</td>
<td></td>
</tr>
<tr>
<td>• A vote FOR final passage was a vote WITH LABI</td>
<td></td>
</tr>
<tr>
<td>• The bill passed Senate 26-11-2</td>
<td></td>
</tr>
<tr>
<td><strong>SB 327</strong></td>
<td>Luneau</td>
</tr>
<tr>
<td>This bill would have authorized new forms of state litigation against private entities. The bill specifically didn't require &quot;intent to defraud&quot; when authorizing new claims, and allowed for triple damages.</td>
<td></td>
</tr>
<tr>
<td>• A vote AGAINST final passage was a vote WITH LABI</td>
<td></td>
</tr>
<tr>
<td>• The bill failed to pass the Senate 13-24-2</td>
<td></td>
</tr>
<tr>
<td>BILL</td>
<td>Sponsor</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
</tr>
</tbody>
</table>
| HB 27 | Broadwater | This bill eliminates a longstanding exclusion and now requires sales tax on “inputs” for further processing in manufacturing.  
- A vote AGAINST final passage was a vote WITH LABI  
- The bill passed the Senate 31-7-1 |
| SB 10 | Ward | At the time of the vote, this bill would have prohibited most manufacturers from claiming the state inventory tax credit if the company also participates in the Industrial Property Tax Exemption Program.  
- A vote AGAINST final passage was a vote WITH LABI  
- The bill passed the Senate 23-14-2 |
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Name</th>
<th>Description</th>
<th>Vote Results</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>HB 19</td>
<td>James</td>
<td>The bill expands the definition of franchise tax to extend it to capital, plants, or property owned directly or indirectly by a partnership, joint venture, or any other business organization of which the corporation is a related party; applies the franchise tax to certain LLCs beginning January 2017.</td>
<td>A vote AGAINST final passage was a vote WITH LABI</td>
<td>The bill passed the House 81-18-6</td>
</tr>
<tr>
<td>HB 22</td>
<td>Jackson</td>
<td>At the time of the vote, this bill would have extended the temporary reductions to rebates enacted in Act 126 of 2015 from three years to five years, including mega-project energy assistance, quality jobs, corporate relocation, and competitive projects payroll incentives.</td>
<td>A vote AGAINST final passage was a vote WITH LABI</td>
<td>The bill in this form failed to pass 38-61-6</td>
</tr>
<tr>
<td>HB 30</td>
<td>Leger</td>
<td>This bill expands the definition of remote dealer for purposes of collecting and remitting state and local sales tax.</td>
<td>A vote FOR final passage was a vote WITH LABI</td>
<td>The bill passed the House 98-5-2</td>
</tr>
<tr>
<td>HB 46</td>
<td>James</td>
<td>The bill would have disallowed the state tax credit for ad valorem taxes paid to local government on certain inventory on returns filed before July 2016. Going forward, the bill would have permanently reduced the credit to 80 percent of taxes paid.</td>
<td>A vote AGAINST final passage was a vote WITH LABI</td>
<td>The bill failed to pass the House 30-69-6</td>
</tr>
<tr>
<td>HB 61</td>
<td>Jay Morris</td>
<td>The bill temporarily eliminates exemptions and exclusions from the existing state sales tax, including as much as 4 percent on business utilities and 1 percent on manufacturing machinery and equipment.</td>
<td>A vote AGAINST final passage was a vote WITH LABI</td>
<td>The bill passed the House 75-27-3</td>
</tr>
<tr>
<td>HB 64</td>
<td>Montoucet</td>
<td>At the time of the House floor vote, this bill would have permanently re-instated a one percent state sales tax on business utilities.</td>
<td>A vote AGAINST final passage was vote WITH LABI</td>
<td>The bill failed to pass the House 49-49-7</td>
</tr>
<tr>
<td>Bill</td>
<td>Sponsor</td>
<td>Description</td>
<td>Vote Against</td>
<td>Vote For</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td>-------------</td>
<td>--------------</td>
<td>----------</td>
</tr>
<tr>
<td>HB 469</td>
<td>Connick</td>
<td>This bill would have required fence-line monitoring beyond federal requirements for certain manufacturing sites, imposing additional costs on private companies and the state.</td>
<td>A vote AGAINST final passage was a vote WITH LABI</td>
<td>The bill failed to pass the House 24-65-15</td>
</tr>
<tr>
<td>HB 665</td>
<td>P. Smith</td>
<td>This bill would have excessively increased the administrative penalties for employers who misclassify employees.</td>
<td>A vote AGAINST final passage was a vote WITH LABI</td>
<td>The bill failed to pass the House 33-59-12</td>
</tr>
<tr>
<td>HB 973</td>
<td>Hunter</td>
<td>This bill would have resulted in unnecessary and excessive penalties for employers for certain hiring violations.</td>
<td>A vote AGAINST final passage was a vote WITH LABI</td>
<td>The bill failed to pass the House 24-68-12</td>
</tr>
<tr>
<td>HB 1139</td>
<td>Richard</td>
<td>This Constitutional Amendment sought to permit the Legislature to increase taxes or enact new ones annually instead of restricting such action to every other year, as is current law.</td>
<td>A vote AGAINST final passage was a vote WITH LABI</td>
<td>The bill failed to pass the House 14-82-8</td>
</tr>
<tr>
<td>SB 80</td>
<td>Morrish</td>
<td>This Constitutional Amendment will authorize the management boards of higher education to set tuition and fee amounts, rather than the Legislature.</td>
<td>A vote FOR final passage was a vote WITH LABI</td>
<td>The bill passed the House 95-7-3</td>
</tr>
<tr>
<td>SB 174</td>
<td>Donahue</td>
<td>This bill sets the funding floor for TOPS awards at the current level and allows the Legislature to increase the amount in future years.</td>
<td>A vote FOR final passage was a vote WITH LABI</td>
<td>The bill passed the House 73-21-10</td>
</tr>
</tbody>
</table>
This bill eliminates a longstanding exclusion and now requires sales tax on “inputs” for further processing in manufacturing. According to the Legislative Fiscal Office's fiscal note the bill could lead to “significantly increase” tax collections.

- A vote AGAINST final passage was a vote WITH LABI
- The bill passed the House 54-47-4
12.

By the Numbers
2016 Chamber Score by Party

**HOUSE**
- DEM: 23%
- REP: 73%

**SENATE**
- DEM: 19%
- REP: 57%

2016 Legislative Session Score by Party

**DEM.**
- HOUSE: 21%
- SENATE: 65%

2016 Bills Introduced by Chamber

**HOUSE**
- 1,848 bills

**SENATE**
- 934 bills

2,782 bills and resolutions were filed.

727 acts passed both chambers.

Historical Legislative Voting Score

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
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</thead>
<tbody>
<tr>
<td>2004</td>
<td>71%</td>
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<tr>
<td>2005</td>
<td>70%</td>
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<tr>
<td>2006</td>
<td>62%</td>
</tr>
<tr>
<td>2007</td>
<td>60%</td>
</tr>
<tr>
<td>2008</td>
<td>65%</td>
</tr>
<tr>
<td>2009</td>
<td>67%</td>
</tr>
<tr>
<td>2010</td>
<td>74%</td>
</tr>
<tr>
<td>2011</td>
<td>69%</td>
</tr>
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<td>2012</td>
<td>67%</td>
</tr>
<tr>
<td>2013</td>
<td>66%</td>
</tr>
<tr>
<td>2014</td>
<td>66%</td>
</tr>
<tr>
<td>2015</td>
<td>51%</td>
</tr>
<tr>
<td>2016</td>
<td>48%</td>
</tr>
</tbody>
</table>
The Louisiana Legislature By the Numbers

### Historical Voting Score by Party

- **Republicans**
  - '04: 86%
  - '05: 87%
  - '06: 85%
  - '07: 81%
  - '08: 86%
  - '09: 84%
  - '10: 85%
  - '11: 84%
  - '12: 81%
  - '13: 60%
  - '14: 65%

- **Democrats**
  - '04: 62%
  - '05: 60%
  - '06: 48%
  - '07: 44%
  - '08: 59%
  - '09: 54%
  - '10: 62%
  - '11: 50%
  - '12: 42%
  - '13: 42%
  - '14: 44%
  - '15: 38%
  - '16: 21%

### Historical Voting Score by Chamber

- **House**
  - '04: 73%
  - '05: 68%
  - '06: 64%
  - '07: 62%
  - '08: 62%
  - '09: 62%
  - '10: 80%
  - '11: 74%
  - '12: 66%
  - '13: 66%
  - '14: 65%
  - '15: 54%
  - '16: 52%

- **Senate**
  - '04: 66%
  - '05: 76%
  - '06: 54%
  - '07: 53%
  - '08: 62%
  - '09: 81%
  - '10: 59%
  - '11: 57%
  - '12: 69%
  - '13: 67%
  - '14: 69%
  - '15: 45%
  - '16: 44%
13. State Budget by the Numbers
The Legislature appropriated nearly $28 billion for FY 2017.

This is the highest level of funding for state government since the influx of hurricane recovery dollars following Katrina and Rita.

Meanwhile, the private sector in Louisiana is in a recession with more than 19,000 jobs lost in 2015 and 2016.

A "deficit" exists when the full cost of state government is greater than the annual projected tax revenue.

The expenditures of state government have been increasing faster than tax revenue...

...and there has been little to no effort to truly prioritize and limit state spending.

What?

Major Factors in the Deficit

Spending + Revenue + Budget Structure = Annual Deficits
Despite these 3 factors, leaders have largely focused on one way to address the deficit: **more revenue**

**Target for budget reductions = $330 mil**

**Federal savings = $150 mil**

**New revenue from 1st special session = $1,260 mil**

**New revenue from 2nd special session = $260 mil**

How $2 billion FY17 deficit was addressed

Louisiana is now an outlier in tax policy

- #41 Business tax climate
- #1 Highest corporate income tax rate in the south
- #2 Highest corporate franchise tax rate in the nation
- #3 Most state/local sales tax on business inputs
- #4 Greatest annual increase in business taxes
- 2 States without centralized collections
- 3 States cap carry-forwards of net operating losses
- 9 States tax manufacturing machinery and equipment
- 10 States tax inventory statewide
- 14 States tax manufacturing utilities

Strategies to get fiscal reform right

1. Comprehensive solution
2. Long-term impact
3. No sacred cows
4. Fix what is broken
5. Promote economic growth
We would like to thank our Free Enterprise Program investors for their continued support of advancing free enterprise in Louisiana.

About the Free Enterprise Program.

The program funds strategic initiatives to expand LABI's policy, research, outreach and lobbying arsenal to ensure that Louisiana continues to have a powerful, unified voice focused on creating the business climate needed to attract investment, generate job growth, and improve the quality of life for Louisiana residents. The Free Enterprise Program is in addition to members dues and is an opportunity to proactively advance free enterprise in Louisiana, make a significant statement about participation in the state's future and demonstrate exceptional commitment to LABI's mission.