



CONSTITUTIONAL AMENDMENTS ON LOUISIANA'S MARCH 29 BALLOT

Following a decision from its Board of Directors, the Louisiana Association of Business & Industry (LABI) expressed support for constitutional amendments 1, 2 and 4, while taking no position on constitutional amendment 3.

“For years, LABI has championed tax and legal reforms in order to make Louisiana’s business climate fair, modern and competitive. Our LA Driven strategic plan outlines key policies that enhance Louisiana’s economic competitiveness, and we believe constitutional amendments 1, 2 and 4 are critical steps toward unlocking our state’s economic potential. These measures will drive investment, improve governance and set the stage for future reforms that benefit businesses and residents alike.”

- LABI President & CEO Will Green

PROPOSED AMENDMENT NO. 1 - SUPPORT

Ballot Language: “Do you support an amendment granting the Louisiana Supreme Court jurisdiction to discipline out-of-state lawyers for unethical legal practices in the state of Louisiana, and to grant the legislature the authority to establish trial courts of limited and specialized jurisdiction?”

Act 2 (SB 1, 2024 Third Extraordinary Session) - The **proposed constitutional amendment** expands the Legislature’s authority to establish specialized trial courts to handle specific subject matters or jurisdictions, no longer limiting the courts to certain parishes or judicial districts. These new courts would be authorized by a two-thirds vote of both the House and Senate, maintaining a high threshold for passage while allowing jurists with expertise in certain types of litigation, including complex business matters, to preside over such cases. The amendment would also authorize the Louisiana Supreme Court to discipline out-of-state attorneys operating within the state.

LABI supported this amendment during the Nov. 2024 special session as it establishes a process for the creation of specialized courts, such as business courts, to handle complex business matters. LABI supports CA 1.

PROPOSED AMENDMENT NO. 2 - SUPPORT

Ballot Language: “Do you support an amendment to revise Article VII of the Constitution of Louisiana including revisions to lower the maximum rate of income tax, increase income tax deductions for citizens over sixty-five, provide for a government growth limit, modify operation of certain constitutional funds, provide for property tax exemptions retaining the homestead exemption and exemption for religious organizations, provide a permanent teacher salary increase by requiring a surplus payment to teacher retirement debt, and make other modifications?”

Act 1 (HB 7, 2024 Third Extraordinary Session) - The **proposed constitutional amendment** restructures portions of Article VII of the Louisiana Constitution, overhauling taxation rules, revenue collection and budgetary processes. (The Act proposing these revisions is 115 pages long, but it should be noted that many of these pages merely contain wording, grammatical, or notational cleanups of little or no significance along with dozens of pages of struck-through language facilitating the elimination, merging or re-situation of various trust funds.) The items in CA No. 2 that are of importance to businesses would do the following:

- Require a two-thirds vote of the Legislature for enactment of any new exemptions, exclusions, deductions, credits, or rebates as well as any increase in a deduction, credit, or rebate. Additionally, new sales tax exemptions, exclusions, credits, rebates, or refunds shall apply at both the state and local levels effective January 1, 2026.
- Cement into the Constitution the Uniform Local Sales Tax Board and its funding, while requiring a two-thirds vote of the Legislature to change the Board’s membership or reduce its authority.



PROPOSED AMENDMENT NO. 2 (CONT.)

- Lower the maximum individual income tax rate statutorily permissible from 4.75% to 3.75%. The law enacted during the special session reduced the individual income tax rate from three brackets with a maximum of 4.25% to a flat 3%.
- Increase the amount of severance tax revenue that could be received by local governments from the state for oil, gas and mineral activity on their lands.
- Maintain the state's current expenditure limit while adding another limitation on annual government spending, called the Government Growth Limit (GGL). Recurring revenue below the expenditure limit but more than the GGL could only be used for one-time expenses. A two-thirds vote of the Legislature would be required to reset the cap to allow for additional spending.
- Merge funds from the Revenue Stabilization Trust Fund (RSTF) into the Budget Stabilization Fund (BSF), often referred to as the rainy-day fund, to allow it to reach its cap. The remaining RSTF funds and interest earnings would then go into the State General Fund to be spent with fewer restrictions.
- Provide for the transfer of the Education Excellence, Louisiana Education Quality and Louisiana Education Quality Support funds to the Teachers' Retirement System of Louisiana to pay down teacher retirement debt, generating savings that would be used to make permanent for teachers and support staff the stipends currently provided on a year-to-year basis.
- Create a program to encourage parishes to opt out of assessing inventory taxes in exchange for a one-time payment up to \$15 million depending on each parish's actual revenue receipts. A new classification percentage of 15% would be created for "business inventory" that parishes could elect to reduce for businesses. Moving forward, a two-thirds vote of the Legislature would be required for any statutes governing these provisions or any subsequent changes.

LABI believes this CA's adoption paves the way for future reforms within our LA Driven strategic plan, such as full inventory tax elimination and a centralized sales tax collection system that helps reduce local reliance on state government funding. LABI took no position on this Constitutional Amendment during the Nov. 2024 special session as the legislation evolved throughout the process but now stands in support for CA 2.

PROPOSED AMENDMENT NO. 3 - NO POSITION

Ballot Language: "Do you support an amendment to provide the legislature the authority to determine which felony crimes, when committed by a person under the age of seventeen, may be transferred for criminal prosecution as an adult?"

Act 3 (SB 2, 2024 Third Extraordinary Session) - The **proposed constitutional amendment** would allow a two-thirds vote of the Legislature to expand the list of felony offenses for which persons between the ages of 14 and 17 may be charged as adults.

LABI took no position on this amendment during the Nov. 2024 special session and takes no position on CA 3.

PROPOSED AMENDMENT NO. 4 - SUPPORT

Ballot Language: "Do you support an amendment to provide for the use of the earliest election date to fill judicial vacancies?"

Act 4 (SB 5, 2024 Third Extraordinary Session) - The **proposed constitutional amendment** would require elections to fill new judgeships or vacancies to be held during gubernatorial or congressional elections, if within a year of the vacancy's occurrence. If not, then the next regular election date shall serve.

LABI took no position on this amendment during the November 2024 special session but believes its intent is to reduce election costs and ensure stronger voter turnout for judges' races. LABI supports CA 4.