



## **PJAL endorses Amendment 4 at meeting**

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Leesville, La. -

The Police Jury Association of Louisiana (PJAL) Region 8 endorsed and supported, in the form of a resolution, the passage of Amendment 4 on the Nov. 4, 2008 statewide election ballot at its annual meeting Thursday night. Vernon Parish played host to the meeting at Celebrations in Leesville. The amendment proposes to increase the maximum annual distribution to a parish of state severance tax revenue.

The Constitution requires the state to give parish governments a portion of the severance taxes collected in each parish, according to the Public Affairs Research Council of Louisiana. It requires that 20 percent of the state severance tax on all natural resources, other than sulfur, lignite or timber, be shared with the parish of origin. But, the amount each parish can receive is capped at \$850,000, adjusted annually for inflation. The current cap for the 2009 fiscal year is around \$875,000. A vote for the amendment would dedicate additional state severance taxes to parishes of origin, restrict the use of a portion of these funds and dedicate a portion of severance taxes collected on state lands to the Atchafalaya Basin Conservation Fund. A vote against would maintain the maximum amount of severance tax revenue that has to be paid by the state to parishes at \$850,000, adjusted annually for inflation.

Vernon Parish received \$483,489.59 in 2007 in severance taxes. That number would not change if the amendment passed unless the Haynesville Shale is found to reach into the parish or unless another significant natural resource is discovered within the parish. In that case, the amount of money the parish would receive could significantly increase if the amendment passes.

"This will keep local dollars within an eligible parish to build and maintain local roads and bridges," according to PJAL's web site ([www.lpgov.org](http://www.lpgov.org)). "Luke Letlow of Governor Jindal's office announced earlier the Governor's support of the Amendment."

Local governments are prohibited from levying a severance tax. The sharing of state severance tax revenue, which goes back to at least the 1921 Constitution, is intended to help compensate parishes for wear and tear on roads and bridges by oil and gas drilling equipment and other related traffic. The present cap has been in place since 2007, when it was increased from \$750,000. In 2007, the state collected \$890 million of these severance taxes and remitted nearly 4% back to the parishes where the tax was generated. Oil and natural gas collections account for almost 98 percent of all severance tax collections.

Parishes would have received \$178 million if the full 20 percent were distributed, but the per-parish cap limited the actual distribution to about \$32 million. All but one of the 64 parishes received some severance tax revenue (one received only \$42), and 29 received the maximum amount of \$850,000.

The amendment would increase the amount of severance tax revenue the state is required to share with the parishes in which the severance tax was generated. The maximum amount per parish would be increased from \$850,000 per

year (2007 dollars) to \$1.85 million for fiscal year 2009 and \$2.85 million thereafter. Each year after 2010, the cap would be adjusted upward for inflation.

The amendment also would dedicate 50 percent of the additional severance tax revenue parishes receive after July 1, 2009, to transportation projects eligible to receive funds from the Parish Transportation Fund. Proponents argue that boosting the cap above the rate of inflation is justified by the recent spike in state severance tax revenue. As prices and production rise, parishes should get to share in the windfall, they argue. Severance tax revenue is likely to rise further in coming years as production increases in Northwest Louisiana due to the recent Haynesville Shale natural gas strike.

Opponents of the proposal question the need for the state to give up more revenue to benefit parishes that already receive other revenue from the economic activity associated with severance operations, like jobs and sales taxes. If mineral resources are considered assets of the state as a whole, then the dedication prevents the state from using its revenue where most needed.

For more information on this amendment and others on the upcoming ballot, visit [www.la-par.org](http://www.la-par.org).

PJAL was created in 1924 to improve parish government in the State of Louisiana, according to the organization's web site. Membership is open to each of the 64 parishes in the state. The organization's full-time staff helps keep state and national public officials informed of the activities and needs of the parish governing authorities. Also, the staff gathers information that will benefit the membership and disseminates that information through periodic orientation and training seminars and conferences which it conducts throughout the state. The association also publishes news-letters, technical pamphlets, a directory of parish officials and the Police Jury Manual, as well as a quarterly magazine.

Region 8 is comprised of Avoyelles, Catahoula, Concordia, Grant, LaSalle, Rapides, Vernon and Winn parishes. Representatives from each of these parishes were on hand Thursday night to discuss the region's business, elect new officers and standing committee members and pass resolutions.

Sam Fulton, Jr., District 9 representative for the Vernon Parish Police Jury, was the 2007-2008 president of PJAL, while Rhonda Plummer, secretary-treasurer of VPPJ, served as secretary-treasurer of PJAL.

The region also passed a resolution to adopt a fixed rotation schedule for president, vice president and host parish so that all parishes within the region would have equal opportunity to provide leadership for the organization. In addition, the region established a system of annual dues in the amount of \$250 to help off-set the costs of hosting the annual meeting.

Amendment 7 on the Nov. 4, 2008 ballot also received endorsement from the region. The amendment proposes to allow for the local governments and the state to invest post-employment benefits trust fund monies in equities. The final resolution adopted during the evening supported the establishment by the Veterans Administration of a Community Based Outpatient Clinic in Leesville.

Plans for the clinic are already underway, and some believe the Veterans Administration may choose to locate the facility at Fort Polk.

The primary reasons for the resolution included: 1) heightened security may threaten entry into the clinic if it is located at Fort Polk; 2) the clinic would compete with Fort Polk's primary mission; 3) the largest concentration of veterans in the area is found in Leesville; and 4) East Texas as well as surrounding parishes would benefit from the

clinic. While Plummer and Fulton were outgoing officers for PJAL, other VPPJ representatives were elected to fill vacant positions or maintained positions they currently held. Melvin Haymon (VPPJ District 8), an executive board member of PJAL, retained that position, while Jim Tuck (VPPJ President and District 1) joined the emergency preparedness committee, Kenny Haymon (District 12) joined the drainage committee and Curtis Clay (District 10) joined the resolutions committee.