



2023 ABCLA Louisiana Legislative Session Recap

The 2023 Louisiana Legislative Session convened at noon on April 10th and adjourned at 6:00pm on June 8th. ABC Louisiana held our annual bill review on April 4th where we discussed the pre-filed bills' potential impact on the merit shop. Of the 1,607 legislative instruments filed this year, ABC Louisiana took positions on or monitored 101 bills and resolutions. We worked with our coalition of industry partners on tax policy and fiscal issues, insurance reforms, carbon sequestration, labor and employment, and education.

Louisiana will vote on new statewide officials and state legislators on October 14, 2023. The looming election had legislators largely focusing on the optics of their positions on various bills. Election years are a funny thing – legislators want constituents to view them as reformers, but the legislators won't risk being blamed for instituting reform that ends up not working as expected. This incentivizes legislators to file reform bills, but then the author either shelves the legislation or their colleagues kill it. It's frustrating, but that's politics.

On that note, the politics of this session made for unexpected alliances, turned friends into enemies, likely tanked some political futures, and set the stage for procedural changes in the state legislature. Most notably, the politics surrounding SCR3 (a resolution to exceed the state's expenditure limit) placed a lot of people and groups in weird positions, and the fall out over HB1 (the state's budget bill) will have a lasting impact.

Before the session began, the Governor and Senate leadership made it clear that they wanted the legislature to exceed the state's expenditure limit for fiscal years 2022-2023 and 2023-2024. [They argued](#) that the \$2.2 billion in surplus and excess funds provided an opportunity to tackle Louisiana's construction backlog and provide teacher pay raises, and failing to raise the expenditure limit would be unacceptable. The weird thing is the Governor and Senate leadership demanded an increased expenditure limit before anyone even knew what was in the budget, so it's hard to argue that such an increase was necessary to fund their priorities.

ABC Louisiana joined Americans for Prosperity (AFP), Louisiana Association of Business and Industry (LABI), Louisiana Committee for a Conservative Majority (LCCM), Louisiana Family Forum, National Federation of Independent Business (NFIB), and the Pelican Institute in [calling on the legislature](#) to refrain from increasing the expenditure limit. The [Pelican Institute](#) pointed out, among other things, that utilizing the excess and surplus funds to fully fund the Rainy Day Fund would have hit the revenue triggers required to lower individual income and corporate franchise taxes and paying \$1.4 billion of the more than \$19 billion owed on public employee retirement debt would have freed up money for local entities to provide permanent teacher pay raises. Debt payments like Pelican proposed (and the House had in their initial budget) do not count towards the expenditure limit. Others, [including the Public Affairs Research Council of Louisiana](#), noted that an impending rededication of the vehicular sales tax and the expiration of Louisiana's .45% sales tax in 2025 will reduce Louisiana's general fund by \$750 million in the 2025-2026 fiscal year. Despite having the opportunity to make long-term investments in Louisiana and to avoid a fiscal cliff in two years, the Governor and Senate levied threats against House members and succeeded in increasing the expenditure limit by \$500 million for fiscal year 2022-2023 and \$1.4 billion in fiscal year 2023-2024.

As expected, those leading the charge to bust the spending cap filled the budget with pet projects for their districts and punished their political opposition with deep cuts in the session's final minutes. The scene



was chaotic with legislators yelling over one another, objections going unanswered, and questions silenced. While leadership maneuvered to reward their friends and punish their enemies, they [unintentionally cut critical funding](#) for themselves and their allies. Republican leadership also rewarded all but one Democratic House member for supporting SCR3 with \$1 million to spend freely in their districts. Senator Bodi White, who is chairman of Senate Finance and sat on the six-person committee that crafted the amendments to the budget bill [later confessed](#) that he never read the bill in its final form and prays that the governor vetoes it.

This budget fiasco that ensued on the final day of session has some [calling for changes](#) to the process. While many of those responsible for the chaos are termed out, others are seeking election to other offices, and some have indicated interest in legislative leadership roles. It will be interesting to see if the budget blunder thwarts their ambition.

On the topic of possibly thwarted ambition, a recent U.S. Supreme Court decision may halt the rapid rise of Louisiana Congresswoman Julia Letlow or Congressman Garret Graves. If you recall our 2022 Legislative Report, we mentioned that the Republicans in the state legislature and the Governor were fighting over whether the Voting Rights Act requires Louisiana to have two majority-black districts. Judge Shelly Dick of Louisiana's Middle District court ordered the state legislature to create a second majority-black district. The U.S. Supreme Court issues a stay on the proceedings because of a pending case with similar facts from Alabama. On June 8th, the Court issued its ruling against Alabama, and shortly afterward remanded Louisiana's case to the 5th Circuit.

While nothing is certain, legal pundits predict that the 5th Circuit will uphold Judge Dick's order for Louisiana to create a second majority-black district. Seventy-six percent of black Louisianans are Democrats, 2% are Republican, and 21% are registered with another party, so the proposed district will almost certainly lean Democrat. The Cook Political Report moved both Letlow and Graves' districts from "Solid Republican" to "Toss Up." Both are big proponents of ABC at the federal level and have proven themselves leaders in Congress, so we're going to work with our national office to help maintain their seats.

ABC's success at the state and national level largely depends on our ability to succeed in electing merit shop friendly candidates into office and keeping those folks educated on ABC issues. Our election success is wholly dependent on member support and PAC involvement, and our lobbying efforts are made more effective through member engagement. Without your help, ABC would not have the means to meaningfully engage in electoral politics. Thank you for making the sacrifices necessary to promote and defend the merit shop.

ABC Louisiana's success in the last election cycle, the relationships and coalitions cemented over the last few years, and our expected success in October's election positions us to continue effectively fighting for the merit shop. I'm confident that as we add people to the legislature who have a firm belief in the principles of free enterprise, and as we educate the others on the merits of our philosophy, we will play a major role in Louisiana's comeback story.

This report highlights several legislative instruments that ABC Louisiana took a position on or monitored during the 2023 Regular Session.

Thank you again for supporting the merit shop construction industry.



Carson DeLarue, Director of Governmental Relations
ABC of Louisiana

Carbon Sequestration

HB 10 by Robby Carter would have removed eminent domain authority of carbon dioxide storage facility operators. The House Committee on Natural Resources involuntarily deferred the bill. **ABC Louisiana opposed HB 10.**

HB 35 by Robby Carter sought to prohibit carbon dioxide sequestration projects in St. Helena Parish. The bill failed to pass out of the House Committee on Natural Resources. **ABC Louisiana opposed HB 35.**

HB 120 by Rep. Nicholas Muscarello sought to prohibit the permitting of above-surface structures on Lake Maurepas and Lake Pontchartrain. The House killed the bill on final passage by a vote of 27 to 72. **ABC Louisiana opposed HB 120.**

HB 267 by Rep. Bill Wheat sought to place a moratorium on carbon dioxide sequestration projects on Lake Maurepas and the Maurepas Swamp Wildlife Management Area. The House killed HB 267 on final passage by a vote of 24 to 75. **ABC Louisiana opposed HB 267.**

HB 308 by Rep. Bill Wheat sought to require an environmental impact statement as part of the coastal use permit application process for certain uses of Lake Maurepas and the Maurepas Swamp Wildlife Management Area. **ABC Louisiana opposed HB 308.**

HB 312 by Rep. Robby Carter sought to provide strict liability for damages attributable to carbon sequestration projects and remove limitations on recovery of noneconomic damages. The House Committee on Natural resources heard the bill, then referred it to the House Committee on Civil Law & Procedure where it never received a hearing. **ABC Louisiana opposed HB 312.**

HB 453 by Rep. Sherman Mack required all carbon storage be done under the Gulf of Mexico. The bill failed to pass out of the House Committee on Natural Resources. **ABC Louisiana opposed HB 453.**

HB 454 by Rep. Sherman Mack required local elections on any potential CCS project. The bill failed to pass out of the House Committee on Natural Resources. **ABC Louisiana opposed HB 454.**

HB 571 by Speaker Clay Schexnayder established a framework for carbon capture projects, including a process whereby local governments can enjoy some of the revenue generated. The Governor signed HB 571, making it Act. No. 378. Its effective date was 6/14/2023. **ABC Louisiana monitored HB 571.**

Business & Labor



HB 283 by Rep. Vanessa Lafleur would have reduced employers' ability to utilize certain relevant information in wage and benefit negotiations. The bill failed to make it through the House Committee on Labor & Industrial Relations. **ABC Louisiana opposed HB 283.**

HB 313 by Rep. Ed Larvadain sought to require employers to develop workplace violence prevention strategies, create and post related signage, and report various incidents to the state. Rep. Larvadain voluntarily deferred immediately prior to presenting his bill to the House Committee on Labor & Industrial Relations. **ABC Louisiana opposed HB 313.**

HB 351 by Rep. Mandie Landry sought to treat medical marijuana the same as commonly prescribed controlled substances for purposes of workers' compensation and unemployment insurance, but the bill's language allowed for an assortment of unintended consequences. The bill made it out of the House Committee on Labor & Industrial Relations, but Rep. Landry opted not to call for a vote on the House floor because negotiations with business and industry proved unfruitful. **ABC Louisiana opposed HB 351.**

HB 374 by Rep. Ed Larvadain sought to establish a state minimum wage of \$10 per hour in 2024, \$12 in 2026, and \$14 in 2028. The bill failed to pass through the House Committee on Labor & Industrial Relations. **ABC Louisiana opposed HB 374.**

HB 558 by Rep. Beau Beaulieu moves responsibility for the management and supervision of the uniform electronic local return and remittance system from the Department of Revenue to the Louisiana Uniform Local Sales Tax Board and requires the board to design and implement a single remittance system whereby each taxpayer can remit state and local sales and use taxes through a single transaction. The bill passed through both chambers without opposition and was signed by the Governor, becoming Act 375; Effective January 1, 2024. **ABC Louisiana monitored HB 558.**

HB 596 by Rep. Aimee Freeman would have mandated paid medical leave for up to 16 weeks. The bill was voluntarily deferred in the House Committee on Labor & Industrial Relations. **ABC Louisiana opposed HB 596.**

SB 35 by Sen. Cleo Fields would have required plants to install fence line monitoring systems that provide real-time emissions data to the public. The bill passed through the Senate Committee on Environmental Quality, and then recommitted to the Senate Committee on Finance where it failed. **ABC Louisiana opposed SB 35.**

SB 148 by Sen. Carter sought to limit the information that employers may utilize in contract negotiations and impose liability on employers for failing to hire certain individuals. The bill failed to pass out of the Senate Committee on Labor & Industrial Relations. **ABC Louisiana opposed SB 148.**

SB 149 by Sen. Carter instituted a state minimum wage. It passed out of the Senate Committee on Labor Industrial Relations and reported without action from the Senate Committee on Finance. It was withdrawn from the files of the Senate after the senate voted 25-13 against the bill. **ABC Louisiana opposed SB 149.**

SB 196 by Sen. Barrow Peacock provided that a party to a lawsuit shall disclose any litigation financing contract under which anyone except for the attorney permitted to charge a contingency fee received a right to compensation or proceeds contingent on the outcome of the civil action. The bill passed through both chambers but was vetoed by the Governor. **ABC Louisiana supported SB 196.**

Construction

HB 11 by Rep. Foy Gadberry increases the contract limit for construction, maintenance, or improvement projects of the Department of Transportation and Development from \$500,000 to \$1 million. The bill passed through both chambers and was signed by the Governor, becoming Act. 8; Effective August 1, 2023. **ABC Louisiana monitored HB 11.**

HB 80 by Rep. Foy Gadberry modifies the law regarding the prior approval process available to suppliers of certain products. The law now authorizes a potential supplier to submit a product other than that specified in the contract documents for prior approval no later than 14 working days prior to opening of bids. The prime design professional then has 10 days to respond. The bill also repealed prior law that deemed a submitted product approved if the design professional failed to respond within the allotted time. The bill passed through both chambers and was signed by the Governor, becoming Act 113; Effective August 1, 2023. **ABC Louisiana monitored HB 80.**

HB 276 by Rep. Mandie Landry. Provides that the maximum penalty for a building code violation involving residential property with more than three units or any commercial property is \$1000. The bill passed through both chambers and was signed by the Governor, becoming Act 304; Effective August 1, 2023. **ABC Louisiana monitored HB 276.**

HB 292 by Rep. Vincent St. Blanc reemphasizes that the marking of an operator's facility or utility shall be provided for excavation or demolition purposes only; clarifies the requirement that excavation or demolition shall not begin more than 120 hours past the mark-by-time; and stresses the requirement for excavators/demolishers to use white paint, flags, or stakes to mark the proposed area of excavation/demolition for tickets called in to the center. It also requires potholing to expose specific types of utilities in certain situations. The bill passed through both chambers and was signed by the Governor, becoming Act 344; Effective August 1, 2023. **ABC Louisiana monitored HB 292.**

HB 420 & 421 by Rep. Jeremy LaCombe would have mandated that 2% of manhours on certain construction projects go to registered apprentices. Rep. LaCombe pulled the bills from the schedule and instead passed a resolution creating a task force to study whether mandating apprenticeships on certain construction projects would be beneficial for Louisiana. ABC Louisiana will have a designated representative on the task force. **ABC Louisiana opposed HB 420 & 421.**

SB 83 by Sen. Womack bill makes a few revisions to the change order process for public works, including exceptions to present law allowing unit price change orders submitted to the designer or public entity within 30 days from the date of the discovery of work to be performed; requires that any change orders requiring redesign shall not take more than 90 days from notification by the contractor to the designer or public entity of the discovery of work to be performed; and then provides some time extensions if necessary for redesign. The bill made it through both chambers and was signed by the Governor, becoming Act 329; Effective August 1, 2023.

SB 86 by Sen. Cleo Fields proposed a constitutional amendment providing that all 10-year Industrial Exemption contracts entered into after 12/31/2023 shall be entered into only on condition that the exemption shall not apply to taxes levied for purposes related to elementary and secondary education.



The bill failed to pass out of the Senate Committee on Revenue and Fiscal Affairs. **ABC Louisiana opposed SB 86.**

SB 93 by Sen Joe Bouie would have required any contractor entering a contract with a public entity comply with the “comparable worth doctrine” rather than simply equal pay for equal work. It also mandated that contractors obtain sworn affidavits from their sub-contractors stating that the subs were also in compliance with the law. The bill failed to pass out of the Senate Committee on Labor and Industrial Relations. **ABC Louisiana opposed SB 93.**

SB 126 by Sen. Cleo Fields proposed a constitutional amendment providing that all 10-year Industrial Exemption contracts renewed after 12/31/2023 shall be renewed only on condition that the exemption shall not apply to taxes levied for purposes related to elementary and secondary education. The bill failed to pass out of the Senate Committee on Revenue and Fiscal Affairs. **ABC Louisiana opposed SB 126.**

SB 167 by Sen. Ralph Abraham provides for the bid process for design-build for traffic control towers and hangers and provides definitions, requirements, and procurement process for progressive design-build projects. The bill passed both chambers without opposition and was signed by the Governor, becoming Act 246; Effective August 1, 2023. **ABC Louisiana monitored SB 167.**

SB 218 by Sen. Glenn Womack provides aspiring plumbers with a path to licensure that does not require them to enroll in a union apprenticeship program. The bill reflected a compromise between union and open-shop plumbers. The compromise maintained excessive OJT hour and supervision ratio requirements. **ABC Louisiana monitored SB 218.**

Insurance

HB 183 by Rep. Gabe Firment prohibits the assignment of post-loss insurance benefits for any residential or commercial property. The bill passed both chambers and was signed by the Governor becoming Act 364; Effective August 1, 2023. **ABC Louisiana supported HB 183.**

HB 309 by Rep. Ray Garofalo provides that all insurers that are required to submit rating plans to the commissioner of insurance must provide credits and discounts to insureds who build or retrofit a structure to comply with fortified home standards created by IIHBS. The bill passed both chambers and was vetoed by the Governor. **ABC Louisiana monitored HB 309.**

HB 393 by Rep. Foy Gadberry allows a building code enforcement officer or a certified third-party provider to accept photographs or videos that are location verified with geotagging for required roofing and reroofing inspections. The bill passed both chambers and was signed by the Governor, becoming Act 25; Effective August 1, 2023. **ABC Louisiana monitored HB 393.**

HB 601 by Rep. Mike Huval would have clarified the law surrounding bad faith claims against property insurers by providing insurers and the insured with clarity regarding what each of their obligations were when submitting and paying a claim. The bill passed the House but did not receive a Senate floor vote. **ABC Louisiana supported HB 601.**

SB 183 by Sen. Kirk Talbot authorizes taxpayers who claim the construction code retrofitting deduction to additionally receive a grant through the Louisiana Fortify Homes Program. The bill passed both chambers



and was signed by the Governor, becoming Act 262; Effective August 1, 2023. **ABC Louisiana monitored SB 183.**

Taxation & Fiscal Policy

HB 47 by Rep. Richard Nelson is a constitutional amendment requiring the legislature to appropriate at least 25% of nonrecurring state revenues for application to state retirement systems' unfunded accrued liabilities. The bill passed both chambers and was signed by the Governor, becoming Act 107. Voters will determine whether they want this amendment to the constitution on October 14, 2023. **ABC Louisiana monitored HB 47.**

HB 487 by Rep. Barry Ivey proposed a constitutional amendment providing that the enactment of a tax exemption, exclusion, deduction, credit, or rebate would only require a majority vote in the legislature. The bill failed on the House floor by a 27-67 vote. **ABC Louisiana monitored HB 487.**

SB 1 and SB 6 by Sen. Brett Allain reduce the corporate franchise tax by 25% each year that the combined corporate income and franchise tax collections exceed \$600 million and reduces the Quality Jobs Program rebate by one-half of the percentage reduction of the franchise tax. The bills were tied together, so they either pass or fail together. The bills passed both chambers and was vetoed by the Governor. **ABC Louisiana monitored both bills.**

SCR 3 by President Page Cortez increased Louisiana's expenditure limit by \$500 million this fiscal year and by \$1.8 billion next fiscal year. Amendments to the bill reduced the increase to \$250 million and \$1.4 billion. SCR 3 passed both chambers and was sent to the Secretary of State. **ABC Louisiana opposed SCR 3.**