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P.O. Box 82880, Baton Rouge, LA 70884  
Phone: 225-572-1916

## ***PAL June 2022 Legislative Update*** ***PAL Legislative Affairs Chairman Matt Gresham, Port NOLA***

With five days left to go in the 2022 Regular Legislative Session, legislators are continuing to complete work on pending legislation before adjournment on June 6<sup>th</sup>, but this year the legislature has completed its obligation to pass a series of budget bills with over 2 weeks left in the session. House Bill 1, Louisiana's nearly \$39 billion spending plan for the fiscal year beginning July 1, was concurred on May 20 and has been sent to the Governor along with the other funding and Capital Outlay bills including HB 2, HB 406 and the remaining supplemental appropriations bills. HB 1, the state's \$39 billion annual operating budget is based on \$10.9 billion - from state taxes, royalties, and fees and an additional \$20 billion in federal funds and various fund transfers. HB 1, authorizes spending for the state's annual operating budget, and related measures quickly cleared the Senate with little debate. The legislature completed the funding bills early to send them to the governor for executive action while the legislature is still in session. The Louisiana Constitution prescribes the amount of time that the governor must sign or veto bills while the legislature is in session (10-12 days after receipt) and leadership in the House and Senate want to use those timelines to their advantage there is a gubernatorial veto (ie. an override). In addition to funding the general operation of state government, also included in the budget is funding for \$1,500 pay raises for K-12 teachers and \$300 million for a new Mississippi River bridge in Baton Rouge, \$100 million for the Lake Charles bridge.

### **A Taxing Session**

Although Louisiana has a budget surplus this year, the state's economists have warned of a future plateau or slump in tax collections that could begin in 2023-24, as COVID recovery funding wanes. As a result, though of the current surplus, some legislators continue to consider phasing out the current temporary sales tax. The temporary sales tax would have phased out gradually under Representative Bacala's HB 438 rather than sunset mid-2025. The approach attempts to soften the impact of the loss of the 0.45 of a cent tax. Under HB438, the temporary sales tax that costs just less than half a cent would drop to 0.30 of a cent in mid-2023 and 0.15 of a cent in mid-2024. The tax currently generates about \$420 million per year, so if HB438 became law it would cut spending by about \$140 million per year in three stages; however, the Senate Revenue and Fiscal Affairs Committee deferred House Bill 438 for this year but stay tuned for next session.

### **Chairman Wright Carries Port Legislation**

Senate Transportation Chairman Patrick McMath carried HB 249 by House Chairman Mark Wright home Tuesday evening. The legislation provides that port blueprints are not subject to public records laws for security reasons. The legislations now heads to Governor Edwards.

## **Chairman Wright Creates Port Subcommittee**

HCR 107 by Rep. Mark Wright creates a subcommittee to be comprised of eight total members with two members each appointed from the House Committee on Transportation, Highways and Public Works, the House Committee on Commerce, the Senate Committee on Transportation, Highways, and Public Works, and the Senate Committee on Commerce, Consumer Protection, and International Affairs to examine and study port infrastructure strategies. Requires the subcommittee submit its findings via a report prior to the convening of the 2023 Legislative Session.

## **On the Hill...**

### **USACE Releases FY 2022 Work Plan**

The U.S. Army Corps of Engineers released its FY2022 work plan May 25. The work plan lays out the allocation of FY2022 Congressionally appropriated monies to start, continue and/or complete studies, construction projects and operations and maintenance activities. Under the FY2022 work plan, construction received \$2.49 billion; investigations got \$143 million; operations and maintenance received \$4.57 billion; Mississippi Rivers and Tributaries got \$370 million; and the Formerly Utilized Sites Remedial Action Program received \$300 million.

Resources:

- [Construction FY2022 work plan](#)
- [Investigations FY2022 work plan](#)
- [Operations and Maintenance FY2022 work plan](#)
- [Mississippi Rivers and Tributaries FY2022 work plan](#)
- [Formerly Utilized Sites Remedial Action Program FY2022 work plan](#)

## **WRDA Moving**

On May 18, the House Transportation and Infrastructure Committee (T&I) approved their version of the biennial Water Resources Development Act of 2022 (WRDA 2022) by voice vote. Over a period of five-hours, dozens of amendments were filed, and most were withdrawn after T&I Chair Peter DeFazio (D-Ore.) committed to working with the authors to address underlying issues. The bill includes 72 new feasibility studies, 8 studies to modify projects, and construction authorization for 16 projects. Chairman DeFazio indicated that the House would vote on T&I's WRDA bill in June. While the House bill is similar to the Senate bill, passed by the Environment and Public Works Committee earlier in May, the bills are not identical.

## **PIDP**

On May 9, the DOT's Maritime Administration (MARAD) announced that up to \$684.3 million is now available for Port Infrastructure Development Program (PIDP) grants, to be awarded on a competitive basis to projects that improve the safety, efficiency, and reliability of the movement of goods into, out of, around, or within a port. The funds come from two pots: \$450 million under the bipartisan infrastructure law and \$234.3 million from the FY2022 Appropriations Act. All "eligible" coastal seaports, inland river ports, and Great Lakes ports can apply for funding

## **Save the Date:**

AAPA Annual Convention and Expo – Oct. 16-19 in Orlando, Fla.

National Waterways Conference Annual Meeting – Oct 26-28 in Houston.

Gulf Ports Association Fall Meeting – Nov. 2-4 in Lake Charles.

Waterways Conference Inc. Annual Waterway Symposium – Dec. 7-8 in Paducah, Ky.