

**LAGC Legislative Bulletin #3 - 2017R April 24, 2017**

Last week was a busy one for your lobby at the Capitol. Finally, legislation was dropped in the hopper to provide infrastructure funding. HB 632, Rep. Steve Carter, is one that we can support strongly. It provides for an increase of seventeen cents in the gasoline, diesel, and special fuels tax. It contains an indexing component, and accountability provisions for mega projects as well as projects within the current system for roads, bridges, ports, rail, and airports, and prohibits use of funds for anything other than construction of projects. Also in the package is legislation by Rep. Neil Abramson, HB 598 and Kenny Havard, HB 604, requiring transparency and accountability by DOTD throughout the process, a SB 57, Cortez, a constitutional amendment removing State Police from receiving funding out of the TTF.

We're hoping that negotiations between DOTD and the authors of the transparency/accountability bills will be complete by Monday of this week and that we can begin moving those bills through House Transportation either Tuesday of this week or next week. We'll follow them with attempting scheduling the Carter legislation in the House Ways & Means Committee the following week.

On other issues, SB 104, Sen. Appel, that corrects a licensing law provision that requires that a contractor bidding public work will no longer be required to furnish the official certification that he's licensed in addition to his license number on the bid envelope, has been reported favorably by the Senate Commerce Committee, and will be up for Senate final passage early in the week. Also, HB 264, Rep. Stuart Bishop, adding the words "Guaranteed Maximus Price" to a provision in the state's sales tax laws, providing that if a contract is executed within a 90-day period of imposition of a new sales tax, either on the local or state level, then that contract will be excluded from imposition of the new tax for the length of the contract. Current law allows for lump sum, unit price, or fixed fee contracts was heard by the House Ways and Means Committee, and will be voted out favorably in the next week.

On Monday, the Ways & Means will take up what has been called the CAT tax (commercial activity tax), which has been proposed by the administration to relieve the state from a deficit in the state's 2017-18 general fund as well as an anticipated \$1.3 billion deficit once all of the temporary taxes were imposed during the 2016 special tax sessions. It appears likely that the Committee won't take more than Monday's testimony to turn down the proposal. Of course, once that is over, there will be a scurry to find additional proposals to make up the taxes needed. And that may be when things start getting just a little weird. So stay tuned.

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