

Upon motion of Mr. Purvis Abshire, duly seconded by Mr. Carroll Duhon, and unanimously carried, the following resolution was adopted:

RESOLUTION
2002-R-6

WHEREAS, the Louisiana Constitution requires that twenty percent (20%) of all general severance taxes collected by Louisiana State Government be returned to the Parishes where the resource was produced; and

WHEREAS, the drafters of the Louisiana Constitution put this provision into the law to insure that local governments would receive at least some revenues raised as a result of mineral production in their parishes to compensate them for the additional demands that the natural resources industry activities place on local services and local infrastructures, such as roads, bridges, drainage and the like; and

WHEREAS, the Constitution further provides that local governments are prohibited from levying severance taxes; and

WHEREAS, the severance tax distribution to the parishes is further limited by an annual cap or ceiling which, for several years, was set at \$500,000 per year, but which recently was raised to \$750,000 per year; and

WHEREAS, as a result of the combined effects of these caps and the corrosive effect of inflation, the effective value of the parishes' portions of this dedication has diminished and will continue to diminish until appropriate reforms are instituted; and

WHEREAS, the State of Louisiana collected approximately \$437 million in 2001 from this severance tax and returned \$20 million to Parish governments affected; and

WHEREAS, increasing the cap from \$750,000 to \$1,750,000 annually would increase the amount returned to Parish governments affected from \$20 million to \$26 million per year; and

WHEREAS, Vermilion Parish Police Jury would receive the full cap from the State of Louisiana derived from this severance tax, as our Parish provided approximately \$33.7 million in 2000 in severance tax collections; and

WHEREAS, the proposed increase in the cap to be distributed to Parish governments would result in additional revenues to Vermilion Parish in the amount of \$1 million annually and could provide much-needed assistance in the operation, maintenance and improvements of the Parish's infrastructure.

NOW THEREFORE BE IT RESOLVED that the Vermilion Parish Police Jury does hereby request and urge the Louisiana Legislature to sponsor legislation amending the Louisiana Constitution to insure that parish governments receive a more equitable distribution of the taxes produced by the severance of minerals mined or produced from lands within their respective jurisdictions.

BE IT FURTHER RESOLVED, that the Vermilion Parish Police Jury does hereby further request and urge that said proposed legislation provide that the annual cap or ceiling of severance tax allocations to be distributed to Parish governments be increased from \$750,000 to at least \$1,750,000 annually and further that this cap be indexed to inflation so that, as the cost of living increases and the value of the dollar decreases, the parishes' funds would automatically increase to take into account such changes

BE IT FINALLY RESOLVED, that copies of the Resolution shall be forwarded to the Vermilion Parish Legislative Delegation and the Police Jury Association of Louisiana, requesting their support and assistance with this position

The Resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Purvis Abshire, Mr. Terry Bessard, Mr. Ernal "E. J." Broussard, Mr. Minos Broussard, Mr. Kenneth DeHart, Mr. Carroll Duhon, Mr. Hubert Faulk, Mr. Luther "Buster" Hardee, Mr. Louis Joe Hardy, Mr. Pervis "Pee Wee" Meaux, Mr. Mark Poche, Mr. T. J. Prejean, Jr., Mr. Edval Simon, Jr. and Mr. Ritter Trahan.

NAYS: None

ABSENT: None

And the Resolution was declared adopted this 18th day of March, 2002.

CERTIFICATE

I, Michael J. Bertrand, Secretary-Treasurer, do hereby certify that the above is a true and exact copy of resolution adopted by the Vermilion Parish Police Jury on the 18th day of March of 2002 at which time a quorum was present and voting.

MICHAEL J. BERTRAND
SECRETARY-TREASURER
VERMILION PARISH POLICE JURY