

Regular Session, 2003

HOUSE BILL NO. 637

BY REPRESENTATIVE LEBLANC

FUNDS/FUNDING: (Constitutional Amendment) Eliminates possibility of double counting in the deposit of certain mineral revenues into the Budget Stabilization Fund

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A JOINT RESOLUTION

Proposing to amend Article VII, Sections 10.3(A)(2)(a)(introductory paragraph) and 10.5(B) of the Constitution of Louisiana, to provide for the deposit of certain mineral revenues in the Budget Stabilization Fund; to correct an incorrect reference to the Budget Stabilization Fund; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Sections 10.3(A)(2)(a)(introductory paragraph) and 10.5(B) of the Constitution of Louisiana, to read as follows:

§10.3. Budget Stabilization Fund

Section 10.3.(A) There is hereby established in the state treasury a Budget Stabilization Fund hereinafter referred to as the fund. Money shall be deposited in the fund as follows:

* * *

1 (2)(a) All revenues received in each fiscal year by the state in
 2 excess of seven hundred fifty million dollars, hereinafter referred to as
 3 the base, as a result of the production of or exploration for minerals,
 4 hereinafter referred to as mineral revenues, including severance taxes,
 5 royalty payments, bonus payments, or rentals, and excluding such
 6 revenues designated as nonrecurring pursuant to Article VII, Section
 7 10(B) of the constitution, any such revenues received by the state as a
 8 result of grants or donations when the terms or conditions thereof
 9 require otherwise, and revenues derived from any tax on the
 10 transportation of minerals, shall be deposited in the fund after the
 11 following allocations of said mineral revenues have been made:

12 * * *

13 §10.5. Mineral Revenue Audit and Settlement Fund

14 Section 10.5.

15 * * *

16 (B) After making the allocations provided for in Paragraph (A),
 17 the treasurer shall then deposit in and credit to the Mineral Revenue
 18 Audit and Settlement Fund any such remaining revenues. Any
 19 revenues deposited in and credited to the fund shall be considered
 20 mineral revenues from severance taxes, royalty payments, bonus
 21 payments, or rentals for purposes of determining deposits and credits
 22 to be made in and to the Wetlands Conservation and Restoration Fund
 23 as provided in Article VII, Section 10.2 of this constitution. Any
 24 revenues deposited in and credited to the fund shall not be considered
 25 mineral revenues for purposes of the ~~Revenue Stabilization Mineral~~
 26 ~~Trust Fund~~ Budget Stabilization Fund as provided in Article VII,

1 Section 10.3 of this constitution. Money in the fund shall be invested
2 as provided by law. The earnings realized in each fiscal year on the
3 investment of monies in the Mineral Revenue Audit and Settlement
4 Fund shall be deposited in and credited to the Mineral Revenue Audit
5 and Settlement Fund.

6 * * *

7 Section 2. Be it further resolved that this proposed amendment shall be
8 submitted to the electors of the state of Louisiana at the gubernatorial primary
9 election to be held in 2003.

10 Section 3. Be it further resolved that on the official ballot to be used at
11 said election there shall be printed a proposition, upon which the electors of
12 the state shall be permitted to vote FOR or AGAINST, to amend the
13 Constitution of Louisiana, which proposition shall read as follows:

14 To provide that mineral revenues classified under the
15 constitution as nonrecurring revenues shall not also be classified
16 as mineral revenues for purposes of determining the amount of
17 such revenues to be deposited in the Budget Stabilization Fund.
18 (Amends Article VII, Section 10.3(A)(2)(a)(introductory
19 paragraph) and 10.5(B))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

LeBlanc

HB No. 637

Abstract: Eliminates possibility of double counting in the deposit of certain mineral revenues into the Budget Stabilization Fund.

Present constitution provides for the establishment of a Budget Stabilization Fund in the constitution. The following revenues are to be deposited in the fund:

- (1) Monies available for appropriation in excess of the expenditure limit.
- (2) All mineral revenues received by the state in each fiscal year in excess of \$750 million.
- (3) 25% of any monies recognized by the Revenue Estimating Conference as nonrecurring.
- (4) Any other monies appropriated to the fund by the legislature including the balance of any monies declared to be nonrecurring.

Mineral revenues can be used to calculate the amount of such revenues which are in excess of \$750 million and thus are deposited in the Budget Stabilization Fund and also can be deposited in the fund as nonrecurring revenue as provided in (3) and (4) above.

Proposed constitutional amendment eliminates the potential double counting in deposit of such mineral revenues.

Proposed constitutional amendment changes an incorrect reference to the Budget Stabilization Fund.

Provides for submission of the proposed amendment to the voters at the gubernatorial primary election to be held in 2003.

(Amends Const. Art. VII, Sections 10.3(A)(2)(a)(intro. para.) and 10.5(B))