

Regular Session, 2003

SENATE BILL NO. 213

BY SENATOR DARDENNE

FUNDS/FUNDING. Constitutional amendment to create the Louisiana Coastal Restoration Fund. (1/1/04) (2/3-CA13s1(A))

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A JOINT RESOLUTION

Proposing to add Article VII, Section 10.11 of the Constitution of Louisiana, relative to state funds; to create the Louisiana Coastal Restoration Fund in the state treasury; to provide for deposit of monies into the fund; to provide for investment and uses of monies in the fund; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

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, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 10.11 of the Constitution of Louisiana, to read as follows:

§10.11. Louisiana Coastal Restoration Fund

Article VII, Section 10.11 is all proposed new law.

Section 10.11.(A) There shall be established in the state treasury,

1 as a special fund, the Louisiana Coastal Restoration Fund, hereinafter
2 referred to as the "fund". Notwithstanding the provisions of Article
3 VII, Section 10, Article VII, Section 10.3, or Article VII, Section 10.8
4 or any other provision of this constitution to the contrary, if, after July
5 1, 2003, the state securitizes any remaining portion of the revenues
6 received from the Master Settlement Agreement executed November
7 23, 1998, and approved by Consent Decree and Final Judgment entered
8 in the case "Richard P. Ieyoub, Attorney General, ex rel. State of
9 Louisiana v. Philip Morris, Incorporated, et al.", bearing Number 98-
10 6473 on the docket of the Fourteenth Judicial District for the parish of
11 Calcasieu, state of Louisiana, the treasurer shall transfer to the
12 Louisiana Coastal Restoration Fund from the Millennium Trust Fund
13 up to twenty percent in the aggregate of the revenues received as a
14 result of the securitization occurring after July 1, 2003 of the Master
15 Settlement Agreement based on the following criteria:

16 (1) The treasurer shall have written certification from the United
17 States Executive Office of the President, Office of Management and
18 Budget or its successor that a valid federal appropriation for coastal
19 restoration exists from which Louisiana is entitled to receive funds.

20 (2) The treasurer shall transfer only the amount necessary to
21 match the maximum amount of federal funds available to Louisiana in
22 the state fiscal year in which the federal funds are received, but in no
23 case shall transfers exceed twenty percent in the aggregate of the
24 revenues received as a result of the securitization of the Master
25 Settlement Agreement described in this Section.

26 (3) Transfers made pursuant to this Section shall be taken in the

1 following proportions out of revenues generated by the securitization
2 described in this Section and distributed to the three special funds in the
3 Millennium Trust Fund: one-third from the Health Excellence Fund,
4 one-third from the Education Excellence Fund, and one-third from the
5 TOPS Fund.

6 (B) Monies credited to the fund pursuant to Paragraph (A) of
7 this Section shall be invested by the treasurer with the same authority
8 and subject to the same restrictions as the Millennium Trust.

9 (C) The monies in the fund shall be appropriated by the
10 legislature to the Department of Natural Resources, or its successor,
11 and shall be used solely for programs to reduce coastal erosion and to
12 restore the areas of the state directly affected by coastal erosion.

13 (D) Money from other sources, such as donations,
14 appropriations, or dedications, may be deposited in and credited to the
15 fund.

16 (E) Each appropriation from the fund shall include performance
17 expectations to ensure accountability in the expenditure of such monies.

18 Section 2. Be it further resolved that this proposed amendment shall be
19 effective January 1, 2004.

20 Section 3. Be it further resolved that this proposed amendment shall be
21 submitted to the electors of the state of Louisiana at the gubernatorial primary
22 election to be held in 2003.

23 Section 4. Be it further resolved that on the official ballot to be used at
24 said election there shall be printed a proposition, upon which the electors of
25 the state shall be permitted to vote FOR or AGAINST, to amend the
26 Constitution of Louisiana, which proposition shall read as follows:

1 To establish the Louisiana Coastal Restoration Fund in the state
 2 treasury; to provide that the source of monies deposited into the
 3 fund shall be out of certain monies derived from the
 4 securitization of any remaining portion of the revenues received
 5 from the Master Settlement Agreement in the tobacco litigation
 6 after July 1, 2003; to provide for investment of monies in the
 7 fund and for their uses to reduce coastal erosion and to restore
 8 the areas of the state directly affected by coastal erosion.
 9 (Effective January 1, 2004) (Adds Article VII, Section 10.11)

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Tom Wade.

Dardenne (SB 213)

DIGEST

Proposed constitutional amendment establishes the Coastal Restoration Fund in the state treasury. Provides if, after July 1, 2003, the state securitizes any remaining portion of the revenues received from the Master Tobacco Settlement Agreement, the treasurer shall transfer to the Louisiana Coastal Restoration Fund from the Millennium Trust Fund up to twenty percent in the aggregate of the revenues received as a result of the securitization of the Master Tobacco Settlement Agreement based on the following criteria:

- (1) The treasurer shall have written certification from the U.S. OMB that a valid federal appropriation for coastal restoration exists from which Louisiana is entitled to receive funds.
- (2) The treasurer shall transfer only the amount necessary to match the maximum amount of federal funds available to Louisiana, but in no case shall transfers exceed twenty percent in the aggregate of the revenues received as a result of the securitization.
- (3) Transfers shall be taken in the following proportions out of securitization revenues: one-third from the Health Excellence Fund, one-third from the Education Excellence Fund, and one-third from the TOPS Fund.

Provides that monies in the fund shall be invested by the state treasurer in the same manner as monies in the Millennium Trust.

Provides that monies in the fund shall be appropriated by the legislature to the

Department of Natural Resources and used solely for programs to reduce coastal erosion and to restore the areas of the state directly affected by coastal erosion. Provides that each appropriation from the fund shall include performance expectations to ensure accountability in the expenditure of such monies.

Specifies submission of the amendment to the voters at the gubernatorial primary election in 2003.

Effective Jan. 1, 2004.

(Adds Const. Art. VII, Sec. 10.11)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill.

1. Deletes the one-time deposit of ten percent of the corpus of the Millennium Trust and the Louisiana Education Quality Trust Fund into the La. Coastal Restoration Fund.
2. Deletes the limitation of spending only the interest in the La. Coastal Restoration Fund.
3. Provides for depositing up to 20% of any future Tobacco Settlement securitization based on the following conditions:
 - a. Written certification of federal funding.
 - b. Limiting the transfer of monies into the fund to the amount of monies needed to match the federal funds, not exceeding 20% of the securitization.
 - c. Transfers of securitization monies shall be taken one-third each from the Health Excellence, Education Excellence, and TOPS funds.

Senate Floor Amendments to engrossed bill.

1. Clarifies that provisions apply only to funds realized by securitization of tobacco settlement occurring after July 1, 2003.
2. Provides that investment authority will be the same as that provided for the Millennium Trust.