

Regular Session, 2003

SENATE BILL NO. 214

BY SENATOR DUPRE AND REPRESENTATIVES PITRE AND
DOWNER

FUNDS/FUNDING. Constitutional amendment authorizing certain uses for nonrecurring revenues, authorizing certain deposits into the Wetlands Conservation and Restoration Fund, and eliminating the cap on mineral revenues that can be part of the balance in that fund. (2/3 - CA13s1(A))

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A JOINT RESOLUTION

Proposing to amend Article VII, Sections 10.2(B) and (C) and 10.5(C) of the Constitution of Louisiana and to add Article VII, Section 10(D)(2)(e) of the Constitution of Louisiana, relative to state funds; to provide for appropriation of monies in the Mineral Revenue Audit and Settlement Fund for deposit in the Wetlands Conservation and Restoration Fund; to eliminate the cap on the balance of certain mineral revenues that can be in the balance of the Wetlands Conservation and Restoration Fund; to provide for the allocation of appropriation of nonrecurring revenues for deposit into the Wetlands Conservation and Restoration 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

1 by law, a proposal to add Article VII, Section 10(D)(2)(e) of the Constitution
2 of Louisiana, to read as follows:

3 §10. Expenditure of State Funds

4 Section 10.

5 * * *

6 (D) Appropriations.

7 * * *

8 (2) Except as otherwise provided in this constitution, the
9 appropriation or allocation of any money designated in the official
10 forecast as nonrecurring shall be made only for the following purposes:

11 * * *

12 Article VII, Section 10(D)(2)(e) is all proposed new law.

13 (e) Providing for allocation or appropriation for deposit into the
14 Wetlands Conservation and Restoration Fund established in Article VII,
15 Section 10.2 of this constitution.

16 * * *

17 Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of
18 the members elected to each house concurring, that there shall be submitted to
19 the electors of the state, for their approval or rejection in the manner provided
20 by law, a proposal to amend Article VII, Sections 10.2(B) and (C) and 10.5(C)
21 of the Constitution of Louisiana, to read as follows:

22 §10.2. Wetlands Conservation and Restoration Fund

23 Section 10.2.

24 * * *

25 (B)(1) After making the allocations provided for in Paragraph
26 (A), the treasurer shall then deposit in and credit to the Wetlands
27 Conservation and Restoration Fund any amount of mineral revenues

1 that may be necessary to insure that a total of five million dollars is
2 deposited into such fund for the fiscal year from this source; ~~provided~~
3 ~~that the balance of the fund which consists of mineral revenues from~~
4 ~~severance taxes, royalty payments, bonus payments, or rentals shall not~~
5 ~~exceed forty million dollars.~~

6 (2) After making the allocations and deposits provided for in
7 Paragraphs (A) and (B)(1) of this Section, the treasurer shall deposit in
8 and credit to the Wetlands Conservation and Restoration Fund as
9 follows:

10 (a) Ten million dollars of the mineral revenues in excess of six
11 hundred million dollars which remain after the allocations provided for
12 in Paragraph (A) are made by the treasurer.

13 (b) Ten million dollars of the mineral revenues in excess of six
14 hundred fifty million dollars which remain after the allocations
15 provided in Paragraph (A) are made by the treasurer.

16 ~~However, the balance of the fund which consists of mineral~~
17 ~~revenues from severance taxes, royalty payments, bonus payments, or~~
18 ~~rentals shall not exceed forty million dollars.~~

19 (C) The money in the fund shall be invested as provided by law
20 and any earnings realized on investment of money in the fund shall be
21 deposited in and credited to the fund. Money from other sources, such
22 as donations, appropriations, or dedications, may be deposited in and
23 credited to the fund; ~~however, the balance of the fund which consists~~
24 ~~of mineral revenues from severance taxes, royalty payments, bonus~~
25 ~~payments, or rentals shall not exceed forty million dollars.~~ Any
26 unexpended money remaining in the fund at the end of the fiscal year
27 shall be retained in the fund.

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§10.5. Mineral Revenue Audit and Settlement Fund

Section 10.5.

(C) The legislature may annually appropriate monies in the Mineral Revenue Audit and Settlement Fund only for the purposes of retirement in advance of maturity through redemption, purchase, or repayment of debt of the state or of the Louisiana Recovery District, or both, pursuant to a plan proposed by the State Bond Commission to maximize the savings to the state, or, to provide for payments against the unfunded accrued liability of the public retirement systems which are in addition to any payments required for the annual amortization of the unfunded accrued liability of the public retirement systems, required by Article X, Section 29 of this constitution; however, any such payment to the public retirement systems shall not be used, directly or indirectly, to fund cost-of-living increases for such systems **deposit in the Wetlands Conservation and Restoration Fund.**

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

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

Authorizes the legislature to appropriate monies in the Mineral Revenue Audit and Settlement Fund for deposit in the Wetlands Conservation and Restoration Fund, removes authority to

1 appropriate monies from the Mineral Revenue Audit and
 2 Settlement Fund to retire in advance of maturity debt of the state
 3 or of the Louisiana Recovery District or to provide for payments
 4 against the unfunded accrued liability of the public retirement
 5 systems, and eliminates the cap of forty million dollars of
 6 mineral revenues which can be a part of the Wetlands
 7 Conservation and Restoration Fund. (Amends Article VII,
 8 Section 10.2(B) and (C) and 10.5(C); adds Article VII, Section
 9 10(D)(2)(e))

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

DIGEST

Present constitution established the Wetlands Conservation and Restoration Fund (WCR Fund) in the state treasury. Monies in this fund may be appropriated only for purposes consistent with the Wetlands Conservation and Restoration Plan developed by the Wetlands Conservation and Restoration Authority.

Present constitution provides that Revenue Estimating Conference shall designate in each official forecast those monies which are nonrecurring. Such nonrecurring monies shall be allocated or appropriated for the following purposes:

- (1) Retiring or defeasance of state debt in advance of maturity.
- (2) Providing for payments against unfunded accrued liability of public retirement systems which payments are in addition to the required annual amortization.
- (3) Providing funding for capital outlay projects.
- (4) For allocation or appropriation for deposit into the Budget Stabilization Fund.

Proposed constitutional amendment adds to the authorized purposes for which nonrecurring revenues may be used for the allocation or appropriation for deposit in the Wetlands Conservation and Restoration Fund.

Present constitution established the Mineral Audit and Settlement Fund in the

state treasury. Revenues received in each fiscal year through settlements or judgments which equal in principal and interest \$5 million or more from underpayment to the state of severance taxes, royalty payments, bonus payments or rentals shall be deposited in this fund, after making certain constitutionally required allocations.

Monies in the fund may be appropriated for the following purposes:

- (1) For retirement in advance of maturity through redemption, purchase, or repayment of debt of the state or of the Louisiana Recovery District.
- (2) For payments against the unfunded accrued liability of public retirement systems which payments are in addition to the required annual amortization.

Proposed constitutional amendment deletes these authorized purposes and provides that monies in the Mineral Revenue Audit and Settlement Fund may be appropriated for deposit into the WCR Fund.

Present constitution provides for the deposit of certain mineral revenues from the production or exploration received by the state into the fund. After providing for allocations to the Bond Security and Redemption Fund, severance and royalty allocations to the parishes where production occurs, and to the Louisiana Wildlife and Fisheries Conservation Fund and the Louisiana Education Quality Trust Fund, the following are deposited in the fund:

- (1) \$5 million annually
- (2) \$10 million of the mineral revenues in excess of \$600 million
- (3) \$10 million of the mineral revenues in excess of \$650 million

The balance in the WCR Fund consisting of such mineral revenues shall not exceed \$40 million.

Proposed constitutional amendment eliminates this \$40 million limitation.

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

(Amends Art. VII, Sec. 10.2(B) and (C) and 10.5(C); adds Art. VII, Sec. 10(D)(2)(e))