

Regular Session, 2003

SENATE BILL NO. 214

BY SENATORS DUPRE, CAIN, SCHEDLER, ADLEY, BARHAM, BOISSIERE, CHAISSON, CRAVINS, DARDENNE, FIELDS, ELLINGTON, FONTENOT, GAUTREAU, HINES, HOLDEN, HOLLIS, HOYT, IRONS, JOHNSON, B. JONES, LAMBERT, LENTINI, MALONE, MARIONNEAUX, MCPHERSON, MICHOT, MOUNT, ROMERO, SMITH, TARVER, THEUNISSEN AND THOMAS 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) and (f) of the Constitution of Louisiana, relative to state funds; to provide for credit and appropriation of monies in the Mineral Revenue Audit and Settlement Fund for deposit in the Wetlands Conservation and Restoration Fund; to provide for 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

1 the electors of the state, for their approval or rejection in the manner provided
2 by law, a proposal to add Article VII, Section 10(D)(2)(e) and (f) of the
3 Constitution of Louisiana, to read as follows:

4 §10. Expenditure of State Funds

5 Section 10.

6 * * *

7 (D) Appropriations.

8 * * *

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

12 * * *

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

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

17 **Article VII, Section 10(D)(2)(f) is all proposed new law.**

18 (f) Providing for new highway construction for which federal
19 matching funds are available, for the creation of a source of funding to
20 provide an insurance pool to be created by law for casualty, property,
21 or other insurance for which federal matching funds are available.

22 * * *

23 Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of
24 the members elected to each house concurring, that there shall be submitted to
25 the electors of the state, for their approval or rejection in the manner provided
26 by law, a proposal to amend Article VII, Sections 10.2(B) and (C) and 10.5(C)

1 of the Constitution of Louisiana, to read as follows:

2 §10.2. Wetlands Conservation and Restoration Fund

3 Section 10.2.

4 * * *

5 (B)(1) After making the allocations provided for in Paragraph
6 (A), the treasurer shall then deposit in and credit to the Wetlands
7 Conservation and Restoration Fund any amount of mineral revenues
8 that may be necessary to insure that a total of five million dollars is
9 deposited into such fund for the fiscal year from this source; provided
10 that the balance of the fund which consists of mineral revenues from
11 severance taxes, royalty payments, bonus payments, or rentals shall not
12 exceed ~~forty million dollars~~ **an amount provided by law.**

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

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

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

23 However, the balance of the fund which consists of mineral
24 revenues from severance taxes, royalty payments, bonus payments, or
25 rentals shall not exceed ~~forty million dollars~~ **an amount provided by**
26 **law.**

1 (C) The money in the fund shall be invested as provided by law
2 and any earnings realized on investment of money in the fund shall be
3 deposited in and credited to the fund. Money from other sources, such
4 as donations, appropriations, or dedications, may be deposited in and
5 credited to the fund; however, the balance of the fund which consists
6 of mineral revenues from severance taxes, royalty payments, bonus
7 payments, or rentals shall not exceed ~~forty million dollars~~ **an amount**
8 **provided by law**. Any unexpended money remaining in the fund at the
9 end of the fiscal year shall be retained in the fund.

* * *

§10.5. Mineral Revenue Audit and Settlement Fund

Section 10.5.

* * *

14 ~~(C) The legislature may annually appropriate monies in the~~
15 ~~Mineral Revenue Audit and Settlement Fund~~ **After making the**
16 **allocations provided for in Paragraph (A), the treasurer shall credit**
17 **twenty-five million dollars to the Wetlands Conservation and**
18 **Restoration Fund, and thereafter any monies credited to the fund**
19 **in any fiscal year may be annually appropriated by the legislature**
20 only for the purposes of retirement in advance of maturity through
21 redemption, purchase, or repayment of debt of the state ~~or of the~~
22 ~~Louisiana Recovery District, or both,~~ pursuant to a plan proposed by the
23 State Bond Commission to maximize savings to the state; ~~or to provide~~
24 for payments against the unfunded accrued liability of the public
25 retirement systems which are in addition to any payments required for
26 the annual amortization of the unfunded accrued liability of the public

1 retirement systems, required by Article X, Section 29 of this
2 constitution; however, any such payment to the public retirement
3 systems shall not be used, directly or indirectly, to fund cost-of-living
4 increases for such systems; **and for deposit in the Wetlands**
5 **Conservation and Restoration Fund.**

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

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

13 Requires that twenty-five million, in excess of certain monies,
14 be deposited in the Wetlands Conservation and Restoration
15 Fund each year and authorizes the legislature to appropriate
16 nonrecurring revenues for certain highway construction and
17 insurance pool purposes and to appropriate monies in the
18 Mineral Revenue Audit and Settlement Fund for deposit in the
19 Wetlands Conservation and Restoration Fund, removes authority
20 to appropriate monies from the Mineral Revenue Audit and
21 Settlement Fund to retire in advance of maturity debt of the
22 Louisiana Recovery District and provides for a cap in revenues
23 to the Wetlands Conservation and Restoration Fund to be
24 provided by law. (Amends Article VII, Section 10.2(B) and (C)
25 and 10.5(C); adds Article VII, Section 10(D)(2)(e) and (f))

The original instrument was prepared by Tom Wade. The following digest, which does not constitute a part of the legislative instrument, was prepared by Linda Nugent.

Dupre (SB 214)

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 appropriation for deposit in the Wetlands Conservation and Restoration Fund and providing for new highway construction for which federal matching funds are available, for creation or a funding source for an insurance pool for casualties, property, or other insurance for which federal matching funds are available.

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 provides for \$25 million to be deposited into the WCR Fund before using any settlement funds for purposes authorized in present law and adds as an additional authorized use 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 changes this \$40 million limitation to an amount to be provided by law.

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) and (f))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Adds as an authorized use of nonrecurring revenue the providing of new highway construction for which federal matching funds are available, for creation of a funding source to provide an insurance pool for casualty, property, or other insurance for which federal matching funds are available.
2. Provides that instead of deleting authorized uses of the Mineral Revenue Audit and Settlement Fund contained in current law, that first \$25 million be credited to the WCR Fund prior to use of any remaining funds on such authorized uses.
3. Adds deposit of funds into the SCR Fund as an additional authorized use of funds in the Mineral Revenue Audit and Settlement Fund.
4. Changes the \$40 million cap of mineral revenues to one provided by law.