

Regular Session, 1997

HOUSE BILL NO. 873

BY REPRESENTATIVES DOWNER, ALARIO, R. ALEXANDER, BARTON, BRUNEAU, CRANE, DANIEL, DEWITT, DEVILLE, DIMOS, DONELON, DUPRE, FLAVIN, FRITH, HEBERT, JETSON, JOHNS, KENNEY, LANCASTER, LEBLANC, LONG, MCDONALD, MCMAINS, MICHOT, RIDDLE, SCALISE, JOHN SMITH, STELLY, THOMPSON, TRICHE, WIGGINS, CLARKSON, FRUGE, WRIGHT, POWELL, STRAIN AND THOMAS AND SENATOR EWING

A JOINT RESOLUTION

Proposing to amend Article VII, Sections 10(B) and (D)(2) and 10.3 of the Constitution of Louisiana, relative to the expenditure of state funds; to provide for allowable uses of nonrecurring revenues; to restructure and rename the "Revenue Stabilization/Mineral Trust Fund" within the state treasury as the Budget Stabilization Fund; to provide for deposit of certain monies into the fund; to provide for a maximum balance in the fund; to provide for allowable uses of monies in the 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(B) and (D)(2) and 10.3 of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

Section 10.

* * *

(B) Official Forecast. The conference shall prepare and publish initial and revised estimates of money to be received by the state general fund and dedicated funds for the current and next fiscal years which are available for appropriation. In each estimate, the conference shall designate the money in the estimate which is recurring and which is nonrecurring. All conference decisions to adopt these estimates shall be by unanimous vote of its members. Changes to the unanimous vote requirement shall be made by law enacted by a favorable vote of two-thirds of the elected members of each house. The most recently adopted estimate of money available for appropriation shall be the official forecast.

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(D) Appropriations.

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

(a) Retiring or for the defeasance of bonds in advance or in addition to the existing amortization requirements of the state.

(b) Providing 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, as required by Article X, Section 29(E)(2)(c) of this constitution; however, any such payments to the public retirement systems shall not be used, directly or indirectly, to fund cost-of-living increases for such systems.

(c) Providing funding for capital outlay projects in the comprehensive state capital budget.

(d) Providing for allocation or appropriation for deposit into the Budget Stabilization Fund established in Article VII, Section 10.3 of this constitution.

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§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) All money available for appropriation from the state general fund and dedicated funds in excess of the expenditure limit, except funds allocated by Article VII, Section 4, Paragraphs (D) and (E), shall be deposited in the fund.

(2)(a) All revenues received in each fiscal year by the state in excess of seven hundred fifty million dollars, hereinafter referred to as the base, as a result of the production of or exploration for minerals, hereinafter referred to as mineral revenues, including severance taxes, royalty payments, bonus payments, or rentals, and excluding such revenues received by the state as a result of grants or donations when the terms or conditions thereof require otherwise and revenues derived from any tax on the transportation of minerals, shall be deposited in the fund after the following allocations of said mineral revenues have been made:

(i) To the Bond Security and Redemption Fund as provided by Article VII, Section 9 (B) of this constitution.

(ii) To the political subdivisions of the state as provided in Article VII, Sections 4 (D) and (E) of this constitution.

(iii) As provided by the requirements of Article VII, Section 10-A and 10.1 of this constitution.

(b) The base may be increased every ten years beginning in the year 2000 by a law enacted by two-thirds of the elected members of each house of the legislature. Any such increase shall not exceed fifty percent in the aggregate of the increase in the consumer price index for the immediately preceding ten years.

(3) Twenty-five percent of any money designated in the official forecast as nonrecurring as provided in Article VII, Section 10(D)(2) of this constitution shall be deposited in and credited to the fund.

(4) Any money appropriated to the fund by the legislature including any appropriation to the fund from money designated in the official forecast as provided in Article VII, Section 10(D)(2) of this constitution shall be deposited in the fund.

(B) Money in the fund shall be invested as provided by law. Earnings realized in each fiscal year on the investment of monies in the fund shall be deposited to the credit of the fund. All unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund.

(C) The money in the fund shall not be available for appropriation or use except under the following conditions:

(1) If the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year, the difference, not to exceed one-third of the fund shall be incorporated into the next year's official forecast only after the consent of two-thirds of the elected members of each house of the legislature. If the legislature is not in session, the two-thirds requirement may be satisfied upon obtaining the written consent of two-thirds of the elected members of each house of the legislature in a manner provided by law.

(2) If a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to one-third of the fund not to exceed the projected deficit may be appropriated after the consent of two-thirds of the elected members of each house of the legislature. Between sessions of the legislature the appropriation may be made only after the written consent of two-thirds of the elected members of each house of the legislature.

(3) In no event shall the amount included in the official forecast for the next fiscal year plus the amount appropriated in the current fiscal year exceed one-third of the fund balance at the beginning of the current fiscal year.

(4) No appropriation or deposit to the fund shall be made if such appropriation or deposit would cause the balance in the fund to exceed four percent of total state revenue receipts for the previous fiscal year.

Section 2. Be it further resolved that this proposed amendment shall be submitted to the electors of the state of Louisiana at the congressional primary election to be held in 1998.

Section 3. 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:

To change the name of the "Revenue Stabilization/Mineral Trust Fund" within the state treasury to the "Budget Stabilization Fund"; to provide that the fund shall also receive twenty-five percent annually of any nonrecurring revenue of the state and any monies appropriated to the fund by the legislature; to provide that up to one-third of the balance in the fund may be

appropriated or incorporated into the official forecast of the Revenue Estimating Conference but only when a deficit for a fiscal year is projected or when the forecast for a succeeding year is less than the forecast for the current year and then only if approved by a two-thirds vote of both houses of the legislature; provides that nonrecurring revenues may also be appropriated for retirement of state debt, payments to reduce the unfunded accrued liability of the public retirement systems, and for capital outlays. (Amends Article VII, Sections 10(B) and (D)(2) and 10.3)

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE