

HOUSE SUMMARY OF SENATE AMENDMENTS

Digest of Bill as Finally Passed by the Senate

Downer

HB No. 873

Present constitution establishes the Revenue Stabilization/Mineral Trust Fund, which receives revenues in excess of the constitutionally established expenditure limit and mineral revenue receipts in excess of \$750 million annually, and specifies the conditions under which the monies in the fund may be accessed.

Proposed constitutional amendment renames the fund the Louisiana Stabilization Fund.

Present constitution provides that nonrecurring revenue shall be appropriated only for the purpose of retirement or defeasance of bonds in advance and in addition to the existing amortization requirements of the state. Proposed constitutional amendment requires that the legislature shall appropriate at least 25% of nonrecurring revenue to the new fund.

The Louisiana Stabilization Fund receives revenues in excess of the constitutionally established expenditure limit, mineral revenues in excess of \$750 million annually, and any other nonrecurring money appropriated to the fund. The money in the fund is invested as provided by law and investment earnings are credited to the fund.

Monies in the fund cannot be appropriated or incorporated into the official forecast unless the official forecast of recurring revenue for the next fiscal year is less than the official forecast of recurring revenue for the current fiscal year or unless a deficit is projected for the current fiscal year due to a decrease in the official forecast of recurring revenue. Monies in the fund cannot be appropriated or incorporated until 2/3rds of each house consents to the use of the fund.

Total appropriations from the fund for the current fiscal year plus the amount incorporated for the next fiscal year are limited to 1/3rd of the fund balance at the beginning of the current fiscal year.

Once the fund balance reaches 4% of the total state revenue receipts for the previous fiscal year, no more appropriations can be made to the fund.

Proposed constitutional amendment additionally authorizes the appropriation of nonrecurring revenue for payments on the unfunded accrued liabilities of the statewide public retirement systems.

(Amends Const. Art. VII, §10(B) and (D)(2) and 10.3)

Summary of Amendments Adopted by Senate

1. Changes name of the fund to the Louisiana Stabilization Fund and deletes the two accounts in the fund.
2. Provides that the Louisiana Stabilization Fund receives a minimum of 25% of nonrecurring revenue, monies in excess of the expenditure limit, and mineral revenue received by the state in excess of \$750 million annually.

3. Establishes restrictions on appropriation of the fund and caps the fund balance at 4% of total state revenue receipts for the previous fiscal year.
4. Authorizes appropriation of nonrecurring revenue for payments on the UAL.