



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: SB 214 SRS 03- 2249

Bill Text Version: ENGROSSED

Opp Chamb Action:

Sub Bill For:

Proposed Amd:

Date: April 7, 2003 6:12 PM Author: DUPRE
Dept/Agy: Natural Resources Analyst: Greg Albrecht
Subject: Wetlands Fund

FUNDS/FUNDING EG SEE FISC NOTE SD EX See Note Page 1 of 1

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
Current law directs certain amounts of mineral revenues into the Wetlands Conservation and Restoration Fund, but so long as the balance of the fund from mineral revenues does not exceed \$40 million. Current law enumerates the allowable uses of nonrecurring monies as deposits to the Budget Stabilization Fund (25%), debt retirement/defeasance, retirement systems' UAL, and capital outlay projects. Current law allows monies in the Mineral Revenue Audit and Settlement Fund to be used for debt retirement/defeasance and additional retirement system UAL payments.

Proposed law eliminates the fund balance cap of \$40 million from mineral revenues. Proposed law adds allocations to the Wetlands Conservation and Restoration Fund to the allowable uses of nonrecurring monies. Proposed law dedicates monies in the Mineral Revenue Audit and Settlement Fund only for deposit to the Wetlands Conservation and Restoration Fund.

To be submitted at the gubernatorial primary election to be held in 2003.

Table with 7 columns: EXPENDITURES, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 5 YEAR TOTAL. Rows include State General Fd., Agy. Self-Gen., Stat. Deds./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION:

Allowing nonrecurring funds or monies in the Mineral Revenue Audit and Settlement Fund to be allocated to the Wetlands Fund does not necessarily change the aggregate level of state expenditures. However, to the extent nonrecurring funds or Settlement Fund monies are allocated to this new purpose, less of those monies are available to be allocated to debt retirement/defeasance, the retirement systems' UAL, or to capital outlay projects. The allocation to the Budget Stabilization Fund is not affected because it gets a fixed 25% share of nonrecurring monies. The aggregate level of state expenditures can be reduced for some years, though, to the extent nonrecurring monies or Settlement Fund monies are utilized to retire/defeas state debt and/or make additional UAL payments. Allocation to the Wetlands Fund rather than those uses could result in greater state expenditures than would otherwise occur in some years.

REVENUE EXPLANATION:

Eliminating the \$40 million cap from mineral revenue is unlikely to result in a direct material effect on governmental revenues. The Treasury reports that the current fund balance cap has never been reached as the result of mineral revenue deposits. Thus, elimination of the cap by itself is not likely to result in additional mineral revenue diversion into the fund and away from the state general fund.

Dual Referral Rules

Senate

- 13.5.1 >= \$500,000 Annual Fiscal Cost
13.5.2 >= \$500,000 Annual Tax or Fee Change

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease per year

Handwritten signature of H. Gordon Monk

H. Gordon Monk
STAFF DIRECTOR