



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: SB 214 SRS 03- 2249
Bill Text Version: REENGROSSED
Opp Chamb Action: w/ HSE COMM AMD
Sub Bill For:
Proposed Amd:

Date: May 20, 2003 6:31 AM Author: DUPRE
Dept/Agy: Natural Resources Analyst: Greg Albrecht
Subject: Wetlands Fund

FUNDS/FUNDING RE1 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 adds allocations to the Wetlands Conservation and Restoration Fund as an additional use for nonrecurring monies. Proposed law provides that the fund balance cap of of the Wetlands Conservation and Restoration Fund, from mineral revenues, be an amount provided by law, but can not be less than \$500 million. Proposed law allocates \$50 million of the Mineral Revenue Audit and Settlement Fund receipts to the Wetlands Conservation and Restoration Fund, and allows further appropriations to the Wetlands Fund as well as to existing uses of the Audit Fund.

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 to be allocated to an additional use as provided by the bill (the Wetlands Fund) does not necessarily change the aggregate level of state expenditures. Allowing monies in the Mineral Revenue Audit and Settlement Fund to be allocated to the Wetlands Fund also 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 operating budget of the state can be effectively supplemented 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. To the extent allocations are made to the additional use provided by this bill, the ability to supplement the annual operating budget through debt retirement/defeasance and/or making additional UAL payments will be reduced.

REVENUE EXPLANATION:

Eliminating the \$40 million cap from mineral revenue and providing a maximum through statute that has to be at least \$500 million is not likely to result in a direct material effect on governmental revenues. The Treasury reports that the current \$40 million fund balance cap of the Wetlands Conservation and Restoration Fund has never been reached as the result of mineral revenue deposits. Thus, raising the cap 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