



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: HB 637 HLS 03- 828
Bill Text Version: REENGROSSED
Opp Chamb Action:
Sub Bill For:
Proposed Amd:

Date: May 26, 2003 10:41 AM
Dept/Agy: Treasury
Subject: Budget Stabilization Fund
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Analyst: Greg Albrecht

FUNDS/FUNDING RE SEE FISC NOTE SD RV See Note Page 1 of 1
(Constitutional Amendment) Eliminates possibility of double counting in the deposit of certain mineral revenues into the Budget Stabilization Fund

Current law includes all mineral revenue received by the state in the the fiscal year (recurring and designated nonrecurring) relative to a \$750 million threshold, above which revenue is directed to the Budget Stabilization Fund.

Proposed law would exclude nonrecurring mineral revenue from the total of mineral revenue that is compared to the threshold.

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. A second section for REVENUES follows the same format.

EXPENDITURE EXPLANATION:

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION:

Twenty-five percent of any revenue designated as nonrecurring is allocated to the Budget Stabilization Fund. Mineral revenue in excess of \$750 million (after parish severance and royalty allocations) is also allocated to the Budget Stabilization Fund. This bill will preclude the use of the same nonrecurring mineral revenue amounts from being used in these two separate calculations for determination of allocations to the Budget Stabilization Fund.

In FY02 tax amnesty revenue receipts included approximately \$4.5 million of severance tax revenue. Those collections were designated as nonrecurring by the Revenue Estimating Conference. As such, 25% of that amount was then allocated to the Budget Stabilization Fund. The Treasury also included those collections in the total of mineral revenue that is compared to the \$750 million threshold amount. Inclusion of the nonrecurring amnesty mineral revenue collections resulted in a mineral revenue total in excess of the threshold, generating an additional allocation to the Budget Stabilization Fund of about \$3.7 million. These allocations to the Budget Stabilization Fund reduce monies available for the state general fund surplus, from both a budget basis and an accounting basis.

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