



LEGISLATIVE FISCAL OFFICE

Fiscal Note

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

Date: June 6, 2003 11:03 AM
Dept/Agy: Natural Resources
Subject: Wetlands Fund
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FUNDS/FUNDING REC 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 additional uses for nonrecurring monies, (a) allocations to the Wetlands Conservation and Restoration Fund and, (b) new highway construction for which federal matching funds are available. Proposed law provides that the fund balance cap of the Wetlands Conservation and Restoration Fund, from mineral revenues, be no less than \$500 million. Proposed law allocates \$35 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 the additional uses provided by the bill (the Wetlands Fund and new highway construction) 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 these new purposes, 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/defeasance state debt and/or make additional UAL payments. To the extent allocations are made to the additional uses 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:
Raising mineral revenue cap Wetlands Conservation and Restoration Fund from the current \$40 million to at least \$500 million is not likely 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, 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
House
13.5.1 >= \$500,000 Annual Fiscal Cost
13.5.2 >= \$500,000 Annual Tax or Fee Change
6.8(F) >= \$500,000 Annual Fiscal Cost
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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