LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB** 637 HLS 03-828

Bill Text Version: **ENROLLED**

Opp Chamb Action: Sub Bill For:

Proposed Amd:

Date:June 22, 2003

5:51 PM

Author: LEBLANC

Dept/Agy: Treasury

Subject:Budget Stabilization Fund

Analyst: Greg Albrecht

EN SEE FISC NOTE SD RV See Note

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(Constitutional Amendment) Eliminates possibility of double counting in the deposit of certain mineral revenues into the Budget

Stabilization Fund

FUNDS/FUNDING

Current law includes <u>all</u> mineral revenue received by the state in 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.

EXPENDITURES	2003-04	2004-05	2005-06	2006-07	2007-08	5 YEAR TOTAL
State General Fd.	\$0	\$0	\$0	\$0	\$0	\$ 0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Stat. Deds./Other	\$0	\$0	\$0	\$0	\$0	\$ 0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 0</u>
Annual Total	\$ 0	\$0	\$ 0	\$ 0	\$ 0	\$0
REVENUES	2003-04	2004-05	2005-06	2006-07	2007-08	5 YEAR TOTAL
REVENUES State General Fd.	2003-04 SEE BELOW	2004-05 SEE BELOW	2005-06 SEE BELOW	2006-07 SEE BELOW	2007-08 SEE BELOW	5 YEAR TOTAL
						5 YEAR TOTAL
State General Fd.	SEE BELOW					
State General Fd. Agy. Self-Gen.	SEE BELOW \$0					
State General Fd. Agy. Self-Gen. Stat. Deds./Other	SEE BELOW \$0 SEE BELOW	\$0				

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.

<u>Dual Referral Rules</u>

<u>Senate</u>

☐ 13.5.1 >= \$500,000 Annual Fiscal Cost

<u>House</u>

☐ 6.8(F) >= \$500,000 Annual Fiscal Cost

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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